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# **Daily Report**

# **China**

**FBIS-CHI-88-003**

**Wednesday**

**6 January 1988**

# Daily Report

## China

FBIS-CHI-88-003

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**General**

**Foreign Ministry Holds Weekly News Briefing**

**Relations with U.S., USSR**

HK061232 Hong Kong ZHONGGUO XINWEN SHE  
in Chinese 1115 GMT 6 Jan 88

[Text] Beijing, January 6 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that on the whole the Sino-U.S. relations continued to make some progress in the past year.

However, the spokesman added, some problems have emerged in the Sino-U.S. relations.

The spokesman made these remarks when asked to comment on the Sino-U.S. relations in 1987 at the ministry's first news briefing this year.

He believed that as long the two sides strictly observe the fundamental principles of respecting each other's sovereignty and territorial integrity and non-interference in each other's internal affairs, the Sino-U.S. relations will develop in a sustained and steady manner by continuously overcoming the negative factors.

The spokesman also reiterated China's stand over the fact that the U.S. side recently asked two Chinese diplomats to leave the U.S.

Asked "why the United States has recently expelled two Chinese diplomats from the United States and whether China will retaliate," Ma Yuzhen said that the U.S. accusations were false charges against Chinese diplomats in the United States, that China had lodged a protest with the United States over this, and that China reserved the right to react further to this.

China is opposed to any action that may poison the atmosphere between China and the United States and jeopardize the relations between the two countries, the spokesman said.

When asked to comment on the Sino-Soviet relations in 1987, the spokesman said, over the past year, exchanges between the two countries have been increased to some extent in specific fields, adding that no progress has been made in Sino-Soviet political relations, because the three major obstacles have not been removed.

The Chinese side is willing to improve its relations with the Soviet Union and hopes that the Soviet side will take prompt and practical steps to remove such obstacles, particularly to urge Vietnam to withdraw its troops from Kampuchea, the spokesman said.

**Expelled Diplomats**

HK061424 Hong Kong AFP in English 1351 GMT  
6 Jan 88

[Text] Beijing, Jan 6 (AFP)—China reiterated Wednesday that the expulsion of two of its diplomats from Washington was a frame-up and that Beijing was reserving the right to make further reactions. Foreign Ministry spokesman Ma Yuzhen repeated China's protests against the expulsion of two Chinese diplomats from Washington on spying charges in a regular press briefing and reiterated Beijing's charge that it was a "frame-up." "We have made it clear that we reserve the right to make further reactions," said Mr. Ma, recalling China's initial reaction to the expulsion. "China is opposed to any action that may poison the atmosphere between China and the United States and jeopardize relations between the two countries," he said. However, he said he believed that Sino-U.S. relations would "continue to develop in a sustained and steady manner by continuously overcoming the negative factors," without giving further details. The official also called on Washington and Beijing to "strictly observe" the fundamental principles of respecting sovereignty, territorial integrity and non-interference in each other's internal affairs. The official BEIJING REVIEW has cast doubt on President Ronald Reagan's ability to lead the Western world in a rare criticism of a foreign leader in its latest issue. The weekly criticised his "deficient" presidency and "clumsy" handling of the 1986 Reykjavik summit with Soviet leader Mikhail Gorbachev which led to "deep conflicts" among Washington's Western allies. The lengthy article followed what Western diplomats here say is a series of developments that have led to friction between the two countries. They include terse exchanges over U.S. claims of Chinese arms sales to Iran, China's alleged suppression of pro-independence demonstrations in Tibet and the trial of a U.S.-educated Chinese student accused of inciting pro-democracy student protests last year. Beijing has responded strongly to all the accusations. The BEIJING REVIEW said Mr. Reagan had allowed himself to become "swollen-headed" in his first four years in office, and that his pride had led to "misconducts and embarrassments" in what it called his "lame-duck" second term. "Instead of a strong and honest leader, Reagan is perceived as deficient, with a poor grasp of policy details and a detached management style," the BEIJING REVIEW said. The magazine said U.S. prestige abroad had suffered as a result of the Iran-contra affair, and that "by its act of duplicity," the United States had lost the trust of "some of its old friends, particularly in the Middle East." But it said Mr. Reagan's domestic popularity should not be underestimated, noting that even at the height of his troubles, the 77-year old President's public support had never dropped below 50 per cent.

**Detained Austrian Student**

HK061140 Hong Kong ZHONGGUO XINWEN SHE  
in Chinese 1021 GMT 6 Jan 88

[Text] Beijing, 6 Jan (ZHONGGUO XINWEN SHE)—Today, Ma Yuzhen, a Chinese Foreign Ministry spokesman, said that Felix Haller, an Austrian student, was

living and working in Lhasa without the approval of the Xizang Regional People's Government and without going through any formalities in advance.

Ma Yuzhen commented on this at this afternoon's news briefing at the request of a reporter.

This reporter asked Ma Yuzhen to confirm whether this Austrian student had been put under house arrest because of his participation in a demonstration staged by nuns in Lhasa on 19 December last year and on what charges.

After making the above comments, Ma Yuzhen said that the relevant departments were handling the case.

In reply to the reporter's question on the demonstration staged by nuns, Ma Yuzhen referred him to the State Nationality Affairs Commission. He said: I believe that the news spokesman of that organization will answer this question.

**Israeli Actions on West Bank**  
HK061122 Hong Kong XINHUA in English  
1050 GMT 6 Jan 88

[Text] Beijing, January 6 (XINHUA)—China is deeply concerned with the development of the situation on the West Bank of Jordan River and the Gaza Strip, a Chinese Foreign Ministry spokesman told a weekly news briefing here today.

He said that China condemns the Israeli authorities for its continued suppression and its attempt to drive away the Palestinian residents from the region in disregard to the world opinion and the relevant resolution of the United Nations.

The government and people of China will, as always, firmly support the Palestinian and the Arab people in their just struggle and oppose the Israeli authorities' policy of aggression and expansion, the spokesman said, adding that China strongly demands the Israeli authorities immediately put an end to its cruel suppression and persecution of the Palestinian residents.

Noting that the fundamental solution to this question hinges on a reasonable and just settlement of the Middle East issue, the spokesman said the Chinese Government has always held that Israel must withdraw from the Arab territory it has occupied since 1967 and the national right of the Palestinian and the Arab people must be restored.

**Injured Mexican Student**

HK061054 Beijing XINHUA in English  
1030 GMT 6 Jan 88

[Text] Beijing, January 6 (XINHUA)—A Chinese Foreign Ministry spokesman expressed his sympathy here today for a Mexican student, named Francisco Reyes, who was injured in a fall after getting drunk late last month.

The spokesman also expressed his regret on Francisco's unfortunate accident since he is a student in Beijing and comes from a friendly country—Mexico.

The spokesman was answering reporters' questions at this afternoon's weekly news briefing.

Some reporters asked, "it is reported that the Mexican student was beaten up. What is your comment? Will the student get some compensations?"

The spokesman said, "we have investigated this matter and have found that the question of the student's being beaten up by someone either before or after his fall did not arise".

At the moment, any compensation for the student is out of the question since the injury was self-inflicted, the spokesman said.

Friendly relations exist between China and Mexico, the spokesman said. He believed that, along with Mexican friends, the Chinese side will find a proper settlement to this unfortunate accident.

The important thing in this accident is that the Mexican student was injured after getting drunk, the spokesman said. Other versions on the causes of his injury are not in accord with reality, he said.

The spokesman said to dozens of foreign reporters at the news briefing, "I believe that on New Year's Eve there are many similar accidents in your countries, as well, for some one to drink too much and get into trouble."

**Portugal Cancels Visit**

HK061104 Hong Kong XINHUA in English  
1032 GMT 6 Jan 88

[Text] Beijing, January 6 (XINHUA)—The cancellation of the scheduled Beijing visit by Portuguese Foreign Minister Joao Pinheiro has nothing to do with the current state of the relations between China and Portugal.

A Chinese Foreign Ministry spokesman made this statement at today's weekly news briefing here this afternoon, when he was asked to confirm the cancellation of the Portuguese Foreign Minister's China visit scheduled for January 8 and his scheduled attendance at the exchange of Sino-Portuguese agreement on Macao.

"An excellent and normal relationship now exists between the two countries," the spokesman said.

Concerning the question surrounding the specific date when the documents will be exchanged, he said, "I've nothing to tell you for the moment."

### United States & Canada

#### Roundup on Expected Growth in U.S. Economy

OW050901 Beijing XINHUA in English  
0638 GMT 5 Jan 88

[("Roundup: U.S. Economy Expected To Grow Modestly in 1988 (By Xia Zhaolong)"—XINHUA headline]

[Text] New York, January 4 (XINHUA)—Can the U.S. economy continue to grow in 1988? The question is almost on everybody's lips at the turn of the year since the stock market crash late last year further dimmed the outlook of the country's already faltering economy.

So far, answers to this question are varied and ambivalent, ranging from the most upbeat forecast of annual growth in the gross national product (GNP) of 3.7 percent to the pessimistic prediction of an outright recession.

The U.S. Government has lowered its growth target for the year to 2.4 percent from 3.5 percent, believing that the steep fall in the share prices will have a negative impact on the economy.

It is estimated that the U.S. stocks value dropped about 36 percent during the period between late August and October 19, the day when the Dow Jones industrial average plunged more than 500 points.

The loss, if translated into cash, amounts to the tune of 1 trillion dollars. This made investors, both individual and institutional, feel poorer and cautious in their spending and investment decisions.

It is this kind of retrenchment that will hurt the economy as consumer spending accounts for about two thirds of the U.S. GNP.

But most economists believe that the U.S. economy will continue to grow modestly in 1988, the sixth year of the current economic expansion.

In a recent survey conducted by the WALL STREET JOURNAL, 34 well-known U.S. economists say the economy will grow at an annual rate of 1.5 percent in the first six months of this year and at a faster 2.3 percent pace in the second half.

Inflation will be a little more than four percent, well under control, and unemployment about six percent, they say.

Only two among the 36 economists covered foresee a recession.

The engine for continued expansion is the growing export and business investment envisaged for this year.

Robert Ortner, under-secretary of commerce for economic affairs, said the Reagan Administration does not expect much this year from the consumer sector which is likely to suffer as a result of the fall in the stock prices.

Instead, he said, "we are counting on exports and capital spending."

U.S. export which has remained the weakest spot during the present recovery is expected to stage a turnaround this year following a three-year-long devaluation of the U.S. currency. The dollar has dropped more than 50 percent against the Japanese yen and the Deutsche mark, enabling the U.S. products to compete favorably on the international markets.

The cheaper dollar has yielded some results in helping the country to improve its trade imbalance.

Since last March, the U.S. monthly export value has exceeded 20 billion dollars on the average. What is more striking is the country's rising export volume. According to Morgan Stanley, a major investment firm in New York, total volume of American goods sold abroad increased about 17 percent in the past year, while the import volume rose about 3 percent.

The trend is expected to continue this year.

David M. Jones, a Wall Street senior economist, said, "the worst year for the U.S. trade deficit is coming to an end and 1988 may prove to be a turning point in reversing the country's chronic imbalance."

He predicted that the U.S. trade deficit this year may probably shrink to 150 billion dollars from the estimated 175 billion dollars in 1987.

The expected rise in business investment is another driving force behind the projected expansion.

The U.S. Commerce Department said last month that the country's mines, factories and utilities are planning to spend 7.3 percent more on new plants and equipment in 1988 than in 1987.

Last year the nation's investment to this end totaled more than 390 billion dollars.

The increased investment is called for to meet the export-oriented production boom. Industries, such as paper, chemical, lumber and capital goods, are operating at nearly 82 percent of capacity, the highest rate since mid-1984.

Statistics from the Labor Department indicate that between January and September last year, the country's manufacturing sector created 212,000 jobs and in some industrial regions the unemployment rate is only 4 percent, well below the national average.

However, it should be also pointed out that many risks and uncertainties still lie ahead. The U.S. economy may turn worse if appropriate policy actions are not instituted in time.

**Air Cargo Company Purchases U.S. Planes**  
*OW060139 Beijing XINHUA in English  
 1131 GMT 5 Jan 88*

[Text] Beijing, January 5 (XINHUA)—China Air Cargo has purchased two new, mid-range and multi-use cargo transport planes from Lockheed Georgia Corporation of the United States.

The I-100 freight planes with the loading capacity of 23 tons were delivered Monday.

It is the first time China Air Cargo has bought a U.S.-built plane. Up to now it has relied on its fleet of mainly AN-12 cargo planes.

An official of China Air Cargo told XINHUA that the two planes will be used to open new international freight air routes in the Asia-Pacific region.

China Air Cargo Company is a cooperative venture between the China National Foreign Trade Transportation Corp and the Industrial Aviation Service Company of the General Administration of Civil Aviation of China.

**Northeast Asia**

**PRC Stand on Kokaryo Wins Support in Japan**  
*OW051401 Beijing XINHUA Domestic Service  
 in Chinese 0851 GMT 4 Jan 88*

[Text] Tokyo, 4 Jan (XINHUA)—According to a report in the January 1988 issue of the monthly "JAPANESE-CHINESE CULTURAL EXCHANGE," the Board of Directors of the Association for Japanese-Chinese Cultural Exchange recently held a meeting and adopted a unified stand on the Kokaryo issue.

According to the report, the participants of the meeting unanimously held that Japan "ought to respect China's position on the Kokaryo issue and settle the problem accordingly."

Attending this Board of Directors meeting were: Representative Directors Koreya Senda, Kaii Higashiyama [name as received], Ikuma Dan; Executive Directors Yoshio Watanabe, Shigeto Tsuru, Tatsuo Takayama,

Koji Tosaka, Koichi Machida, Tsutomu Mizukami, Masao Shimizu, Masao Mamori, Ichiro Kato, Teizo Matsumura, Michio Shirato, and Juko Sato.

The participants reviewed cultural exchange between Japan and China in 1987 and pointed out that as far as Japanese-Chinese relations were concerned, 1987 merited consideration. The meeting discussed the exchange program for 1988 and decided to further promote cultural exchange between Japan and China through various reciprocal visits and exhibits in 1988, the year of the 10th anniversary of the signing of the Japanese-Chinese Peace and Amity Treaty.

**Amity Group Official Greets Korean People**  
*SK050751 Beijing International Service in Korean  
 1100 GMT 2 Jan 88*

[New Year's Speech to the Korean people by Comrade (Xi Chengwen), vice chairman of the Chinese People's Association for Friendship With Foreign Countries—recorded in Mandarin with superimposed Korean translation]

[Text] Dear Korean comrades and friends: This moment when we are ushering in a New Year, the year 1987, with happiness stemming from the fact that we made the year 1987 shine with victory and glory. I am extending to the fraternal Korean people warm New Year's greetings and congratulations on the holiday in the name of the Chinese People's Association for Friendship with Foreign Countries and the China-Korea Friendship Association.

In the past year, the peoples of our two countries have made new advances in the socialist revolution and the cause of construction in their respective countries.

Our two peoples are now vigorously advancing along the road of socialism with Chinese characteristics with the dignity and pride of having triumphantly completed the historically significant 13th CPC Congress and with uplifted conviction.

Under the wise leadership of the Workers' Party of Korea [WPK] and the great leader Comrade Kim Il-song, the fraternal Korean people have attained enormous success on all fronts of socialist construction and continue the struggle for the independent and peaceful reunification of the country.

The fraternal Korean people are now engaged in a vigorous struggle to successfully fulfill the third 7-year plan, while intensely carrying out the three revolutions—ideological, technical, and cultural.

Over the past year, the Chinese-Korean friendship, with its long tradition, has brought about more new developments. The mutual visits by the leaders of our two countries, the visits of friendship between the peoples of the two countries in various fields, and the accelerated development in cooperation between the two peoples

have uplifted the militant friendship between the peoples of our two countries that have been sealed with blood in the protracted course of the revolutionary struggle to a new height.

In particular, an official goodwill visit to our country in May 1987 by Comrade Kim Il-song, general secretary of the WPK Central Committee and president of the DPRK, a significant event in the history of relations between the two parties and two countries of China and Korea, has decorated a new chapter in the history of China-Korea friendship.

In 1987, the friendship associations of our two countries, too, have carried out (?mutual friendship visits) by sending delegations to each country.

On a visit to your beautiful country last October, our China-Korea Friendship Association inspection group participated in various kinds of functions organized to commemorate the 37th anniversary of the participation in the Korean war by the Chinese People's Volunteers.

During our stay in Korea we visited various places, such as Pyongyang, Hamhung, Nampo, and Kaesong, and had a first hand look at the impressive scenes of the Korean people engaging in the construction of their country, demonstrating the revolutionary spirit of arduous struggle and self-reliance, and in a vigorous struggle to develop the industrial and agricultural production with the participation of all the people, to strengthen their defense capabilities, and to realize the peaceful reunification of the country.

In particular, our visit to Panmunjom made us think much. We were very sorry that the country has been artificially divided between the North and the South with the 38th parallel as a demarcation line, preventing the fellow countrymen from getting together. Therefore, realizing the peaceful reunification and national cohesion of Korea is the most urgent common desire of the 60 million Korean people.

Under the leadership of President Kim Il-song, the Korean Government and people have made consistent efforts for this and made a series of reasonable and just proposals. The Chinese people will, as they did in the past, continue to resolutely support the just position of the Korean Government and people for the independent and peaceful reunification of the country.

We are firmly convinced that no one can stop the historical trend of the independent and peaceful reunification of Korea, no matter what difficulties and bottlenecks it may face in its course. We firmly believe that under the wise leadership of the WPK and President Kim Il-song, the heroic Korean people will certainly achieve the independent and peaceful reunification of the country and the beautiful land of Korea will become even more beautiful and magnificent.

China and Korea are close neighbors, as close as lips and teeth, with common mountains and rivers. The peoples of the two countries are comrades-in-arms and brothers. Whether it was the revolutionary struggle against the common enemy in the past or it is the great cause of socialist construction and of peace and progress for mankind today, the peoples of the two countries have struggled shoulder to shoulder together, consistently supporting and closely cooperating with each other.

To continuously strengthen and develop the great Chinese-Korean friendship is the common aspiration of the peoples of our two countries, and it is the glorious mission of our Chinese People's Association for Friendship With Foreign Countries. During this new year, we will continue our efforts to cooperate with the Korean comrades to develop the friendly and cooperative relations between the peoples of China and Korea even more deeply.

Finally, once again, I sincerely wish the fraternal Korean people greater success in the new year, under the leadership of WPK and the great leader Comrade Kim Il-song, in socialist revolution and construction and in all fields of their endeavor for the independent and peaceful reunification of the country, and a happy New Year.

## Southeast Asia & Pacific

**Wu Xueqian Lauds PRC-Burma Cooperation**  
*OW041644 Beijing XINHUA in English*  
*1639 GMT 4 Jan 88*

[“China-Burma Relations Continue To Grow”—XINHUA headline]

[Text] Beijing, January 4 (XINHUA)—Chinese Foreign Minister Wu Xueqian today expressed satisfaction with the Sino-Burmese cooperation in economic, trade and technical fields in recent years and hoped that both countries work together to further the friendly ties.

Wu made the remarks at a reception hosted by Burmese Ambassador to China U Tin Maung Myint in celebration of the 40th anniversary of Burma's Independence Day.

Reviewing the traditional “paukphaw” kinship, the Chinese minister and the ambassador expressed the wish that there will be more exchanges at various levels between China and Burma, including visits of leaders.

The ambassador told Wu that Burmese Minister of Planning and Finance U Tun Tin is scheduled to visit China in 1988.

Statistics show that the two-way trade between China and Burma increased 80 per cent in the first ten months in 1987 than the same period in 1986, which was the year when the trade volume hit the historical record.

Ambassador U Tin Maung Myint said that Burma, one of the first countries that established diplomatic relations and also settled the boundary question with China, will have more cooperation with China in culture, sports, tourism and building materials in 1988.

Also present at today's reception were Chinese Minister of Public Security Wang Fang and Minister of Geology and Mineral Resources Zhu Xun.

### Sub-Saharan Africa

#### Economic Delegation Departs Seychelles

OW020745 Beijing XINHUA Domestic Service  
in Chinese 1138 GMT 28 Dec 87

[Text] Beijing, 28 Dec (XINHUA)—According to a dispatch from Victoria, the Chinese economic delegation led by Lu Xuejian, vice minister of foreign economic relations and trade, which was visiting Seychelles at the invitation of the Seychelles Government, concluded its 7-day visit to Seychelles on 27 December and left Victoria on 28 December for home.

During his visit, Vice Minister Lu and the Seychelles side signed an agreement for economic and technical cooperation between the two countries.

Seychelles' President Rene received the Chinese delegation on 24 December. He highly praised the relations of friendship and cooperation between Seychelles and China, and once again expressed gratitude for China's economic assistance. Lu Xuejian conveyed to President Rene the Chinese leaders' best wishes and hopes for further development of economic and technical cooperation between the two countries.

#### PRC To Help Finance Somali Dam Project

OW060356 Beijing XINHUA in English 0100 GMT  
6 Jan 88

[Text] Mogadishu, January 5 (XINHUA)—China and Somalia signed here today an agreement on China's coverage of part of design expenses for Somalia's biggest dam, Bardera Dam.

Under the agreement, the Chinese Government will pay directly 3.45 million Chinese yuan (about one million U.S. dollars) to the China International Engineering Consultative Corporation which will undertake the design work of the dam.

Chinese Ambassador to Somalia Shi Chengxun and Somali Minister of National Planning and Juba Valleys Development Ahmed Habib Ahmed signed the agreement on behalf of their respective governments.

A contract on the designing of the Bardera Dam by the Chinese corporation was also signed by the two sides.

The Bardera Dam, to be built on the Juba River in [the] southern region, is the biggest project in Somalia's 1987-1991 five-year development plan. Once completed, it will have great impact on Somalia's agricultural development.

#### CPC Goodwill Delegation Leaves for Africa

OW301706 Beijing XINHUA in English  
1458 GMT 30 Dec 87

[Text] Beijing, December 30 (XINHUA)—A Chinese Communist Party goodwill delegation left here this evening for friendly visits to Cote Divoire, Angola, Mozambique, Senegal, Gambia and Djibouti.

Invited by the ruling parties of the host countries, the delegation is led by Jiang Guanghua, deputy head of the International Liaison Department of the CPC Central Committee.

### West Europe

#### Austrian Student Under House Arrest in Lhasa

HK051615 Hong Kong AFP in English 1545 GMT  
5 Jan 88

[Text] Beijing, Jan 5 (AFP)—Chinese police have put an Austrian student under house arrest at a hotel in Tibet's capital, Lhasa, for his suspected support of pro-independence demonstrations there, reliable sources said here Tuesday.

In another development, some 20 Tibetan nuns demonstrated in Lhasa's centre on December 19 to demand independence from China—ten weeks after the October 1 riots that left between six and 13 people dead, the sources said.

Austrian student Felix Haller, 29, was questioned by Chinese police and put under house arrest in his Lhasa hotel, the Kirey, after he failed to produce identification papers, Western diplomatic sources said.

Tibet became officially closed to foreign journalists and tourists, except those in organized tours, on October 9 following pro-independence riots there. Chinese authorities had accused foreigners of backing the Tibetans.

Mr. Haller, a university student at Chengdu in central Sichuan Province, has been living for one year in Tibet, the sources said.

According to reliable reports from Lhasa, the Austrian student is suspected of having backed the separatist riots.

Asked to comment, the Chinese Foreign Ministry said it noted the reports.

The same sources said some 20 nuns demonstrated in front of the Tibetan capital's main temple, the Jokhang, on December 19, to demand independence.

The nuns had marched out of an unidentified monastery near Lhasa where Chinese authorities have stationed sizeable police forces following the bloody riots of October 1.

The incidents led the U.S. Congress to vote an amendment condemning China's "human rights violations" on October 6—a move that was met with "indignation" by the Chinese Government.

Tibetan monks had demonstrated against police presence in a main monastery of Lhasa's suburbs, the Ganden, in late November, after which 80 were arrested but most released later, informed Tibetan sources told the press at the time.

An undetermined number of civilians and religious Tibetans have been arrested since October 1, Tibetan sources and Western travellers have said.

Supporters of the Dalai Lama, Tibet's spiritual leader who went to India in 1959, are demanding independence for Tibet.

**Dutch Photo Exhibition Opens in Beijing**  
*OW060331 Beijing XINHUA in English*  
*1110 GMT 5 Jan 88*

[Text] Beijing, January 5 (XINHUA)—A world press photo exhibition opened here today at the Museum of the Chinese Revolution in the center of the Chinese capital.

The exhibition, with 241 prize winning photos from 30 years (1957-1987) of international press photo contests sponsored by the World Press Photo Holland Foundation, and 39 photos of Holland by Dutch photographers, is organized by the world press Photo Holland Foundation, the Photo-Journalism Society of China and CHINA DAILY. It is also the first world press photo exhibition even held in China.

Chinese Vice-Premier Wan Li and Ria Lubbers, wife of the Dutch Prime Minister Ruud Lubbers, who has specially come to attend the exhibition, cut the ribbon at today's opening ceremony.

Prior to the opening ceremony, Wan Li met with Mrs. Lubbers and the delegation from the World Press Photo Holland Foundation.

Attending the opening ceremony were: Zhou Gucheng, vice-chairman of the National People's Congress Standing Committee, Zhang Aiping, an amateur photographer and minister of national defence and Mu Qing, honorary president of the Photojournalism Society of China and president of XINHUA NEWS AGENCY.

**Latin America & Caribbean**

**Police Report on Mexican Student's Mishap**  
*OW060916 Beijing XINHUA in English*  
*0842 GMT 6 Jan 88*

[“A Night of Wining and Dining Preluded Tragic Fall”—XINHUA headline]

[Text] Beijing, January 6 (XINHUA)—Francisco Reyes, the Mexican student whose injury in a fall late last month sparked a demonstration here of foreign students had been drinking heavily the night of the accident, a police spokesman said.

Reyes, 34, a fine arts student at a college in east China's Zhejiang Province, drank a bottle of white spirit and a bottle of grape wine with a Chinese youth, Li Jixuan, in the latter's room during the evening of the 29th and early morning of the 30th.

Reyes also had some beer alone that evening.

As Reyes left Li's compound he fell from a roof and severely injured himself.

He is recovering in a hospital in Beijing.

Doctors said his injuries have caused paralysis of his legs.

The spokesman quoted Li as saying that he was dining at a food stall in Hepingli in the city's Haidian District at around 19:30 when Reyes started a conversation with him and then moved over to his table.

They had 400 grams of dumplings and 100 grams of white spirit and left at 20:30.

Reyes asked whether he could visit Li's quarters and bought two bottles of white spirit (one slipped and broke on the ground) and another bottle of grape wine.

Li bought a couple of cans of food and some peanuts.

They arrived at around 21:00 and met two of Li's friends, Wu Jingming, an actor from the song and dance troupe affiliated with the Zhongyuan oilfield, and Zhang Fuyuan, an oilfield worker.

Li introduced Reyes as "my friend from Xinjiang whom I haven't seen for three years." Xinjiang is an autonomous region in the remote northwest of China.

The four then went to a room to drink and talk. Zhang left after a few minutes.

Wu said he left at around 23:00. Li and Reyes remained.

Li said he was too drunk to remember when he left and added, "I don't know what became of Reyes later."

At around 2 a.m. Gao Congshan, staying in a building materials shop next door, said he heard a noise and woke up three fellow workers asleep in the room. They went outside.

Yang Qingming, one of the workers said he took a torch and went out first.

"I climbed on top of a two-meter-high shack and saw about 10 meters away someone on the roof of the shop building. He was tall and thin and jumped onto the roof of the canteen of the lodging house next door and disappeared," Yang said.

He called police to report what he had seen.

Police records show Yang phoned at 3:30 a.m.

Yang and his co-workers left the shop and went to the gate of the lodging house which was locked. They asked the gatekeeper to open it for them.

They found Reyes under the eaves of the lodging house. Yang said. They did not know who he was or [if] he was injured. He smelled of alcohol. They took him for a drunkard.

Li Rongsheng, the shop's security cadre, was roused and went to the lodging house. He decided to take the intruder to the local police station. They arrived at about 4:30 a.m., the cadre recalled.

Reyes smelled strongly of alcohol. He was incoherent and refused to answer any questions, said Zhang Guoqiang, a policeman at the station. He said Reyes's appearance suggested he was a foreigner.

The police station contacted the Foreign Affairs Branch in Public Security's sub-bureau in Haidian District at about 6:00 a.m.

Officers arrived half an hour later. An officer said Reyes told police he was a Mexican student but nothing else.

The foreign affairs section of the Beijing Public Security Bureau was contacted at 7:30 a.m.

An interpreter from the foreign affairs section was sent out but his arrival was delayed when his car was involved in an accident. He didn't reach the Haidian Station until 9:30.

"I first spoke to Reyes in Chinese and he would not reply," said the interpreter, Liu Jianhua. "Then I changed into Spanish and it was only then that he said he felt injured and asked to be taken to [the] hospital."

The police had to borrow an ambulance from a nearby research institute because none was available from hospitals, Liu said. A policeman drove. Seven people helped carry Reyes in a long chair onto the ambulance.

At about 10:30 the ambulance arrived at the No. 3 hospital affiliated to the Beijing Medical College.

Liu said the Mexican Embassy sent a lady to the hospital at about 11:00 after being informed by the police what happened.

She thanked police and others for their help.

#### Mexico Requests Investigation

PA051449 Mexico City *Red Nacional*  
13 Imevision Television in Spanish 1955 GMT 4 Jan 88

[Text] The Mexican Embassy in Beijing asked Chinese authorities to conduct an in-depth investigation into the strange attack on a 33-year old Mexican student.

Francisco Reyes, an art student, was savagely beaten by a group of Chinese youths. His spine was broken in three places; he could therefore be paralyzed for life.

Monday, a group of foreign students in Beijing protested the attack on the Mexican student and complained about the bad treatment they received from Chinese authorities when they asked about the incident.

#### PRC, Peru Exchange Pact Instruments

OW021023 Beijing XINHUA Domestic Service  
in Chinese 1151 GMT 30 Dec 87

[Text] Lima, 29 Dec (XINHUA)—Peruvian Foreign Minister Allan Wagner and Chinese Ambassador to Peru Yang Mai exchanged the instruments of the Sino-Peruvian cultural agreement here today.

In their speeches at the ceremony, Minister Wagner and Ambassador Yang Mai praised the fruitful results of cultural exchanges between the two countries.

The agreement, signed on 4 November 1986, is aimed at promoting exchanges and cooperation between the two countries in culture, education, physical culture, the press, publication, and cinema.

According to the agreement, Peru will dispatch 14 experts and 10 students to work and study in China, while China will send 7 sports coaches and 1 acupuncturist to Peru.

China also dispatched two artistic troupes to Peru in 1987 and staged Chinese book, magazine, and painting exhibitions.

**RENMIN RIBAO on Purging Corrupt Elements**  
HK051558 Beijing RENMIN RIBAO in Chinese  
5 Jan 88 p 2

[Article by Niu Jiaying (3662 3946 5391) and Li Jun (26216511); "In Order To Strictly Enforce Party Discipline, It Is Necessary To Purge Corrupt Elements"]

[Text] In the new historical period, the CPC is facing two tests—acting as a ruling party and carrying out the reform and opening-up policy. This sets new and higher requirements for the building of our party style.

Since the 3d Plenary Session of the 11th CPC Central Committee, our party has made great efforts to improve our party style and has achieved substantial results in this field. In general, our party is able to stand the tests of being a ruling party and carrying out the reform and opening-up policy. At the same time, we should also soberly notice that the new situation of reform and opening up has made the task of improving our party style more important. At present, there are still many problems in our party style, and some problems are rather serious. In particular, some party members and cadres engage in smuggling, give and take bribes, offend laws in the course of enforcing the laws, extort money, involve themselves in graft and embezzlement, leak state secrets and intelligence, violate the regulations for the handling of foreign affairs, indulge in cronyism, organize factions, retaliate against people who criticize them, and become morally degenerate. All such problems are no longer unhealthy tendencies, but are actually corrupt phenomena. According to statistics in some localities, in recent years, the proportion of criminal cases involving Communist Party members has been growing. In particular, a small number of leading cadres have indulged in using their powers and official functions to seek private gains and ride roughshod over the masses, or have been indulging in serious bureaucratic practices. They have completely divorced themselves from the masses, have greatly harmed the interests of the party and the people, and have caused extensive resentment inside and outside the party. Therefore, party style problems remain the focus of the complaints aired most frequently by the masses.

Admittedly, the appearance of some party style problems is related to the new situation of reform and opening up. That is, some problems have been caused by the fact that for lack of experience in the initial stage of reform and opening up, we did not take coordinated measures, did not formulate perfect rules and regulations, and did not draw a clear policy line between right and wrong. To deal with these problems, we must quicken and deepen the reforms and gradually reduce the soil for engendering the unhealthy tendencies. This is the first point. The second point is to strictly enforce party discipline.

To strictly enforce party discipline, we must carry out the principle of resolutely purging the corrupt elements. What do we mean by "resolutely purging" these people?

We mean that once such cases are discovered, we must immediately handle them, and purge all corrupt party members involved in these cases, no matter how many party members are involved, and must not tolerate any of them.

Why should we resolutely purge the corrupt elements?

First, because corrupt elements are incompatible with party discipline. Our party is the leadership core of China's socialist cause. Members of the CPC should be vanguard fighters with communist consciousness. However, corrupt elements have filled their minds with individualism and they are obsessed with the desire for private gain. They harm others in order to benefit themselves and seek private gain at public expense to an unscrupulous degree, in disregard of party discipline and the laws. Their behavior directly infringes on the principles of party spirit and seriously violates party discipline.

Second, the behavior of corrupt elements has seriously undermined relations between the party and the masses, spoiled the party's high prestige and image among the masses, and thus aroused grievances among people and defamed the party. Only by purging them from the party can the pernicious influence be remedied.

In his report delivered at the 13th CPC National Congress, Comrade Zhao Ziyang emphasized: If we tolerate the existence of corrupt elements within our party, the whole party will decline. In his speech "Resolutely Deal Blows at Economic Criminal Activities" delivered in 1982, Comrade Deng Xiaoping said: "In the 2 or so years since the implementation of the policy of opening up to the outside world and invigorating the domestic economy, quite a number of cadres have already become degenerate. Not just a few but quite a large number of people have been involved in economic criminal activities." He seriously pointed out: "If our party does not pay close attention to this fact and resolutely check this tendency, then our party and country will surely be faced with the possibility that their political color will change." Of course this does not mean that the guidelines for reform and opening up are incorrect. In fact, it reminds us of the necessity for opposing corrupt phenomena within the party as a pressing task of top importance. Therefore, it is necessary to strictly enforce party discipline. For those genuinely corrupt elements, their seniority in the party, status, merits, and present posts cannot serve as excuses for criminal activities or pretexts for forgiveness.

One of the important reasons that some localities failed to follow the principle of resolutely purging corrupt elements in the past few years was that they failed to get rid of some muddled ideas.

1. The idea of "resolutely purging" the corrupt elements is "ultra-leftist." Some comrades are worried that we may repeat the previous practice of dealing with cases in the first year, rehabilitating the people involved in the

second year, and carrying out the policy of redressing the wrong in the third year. Therefore, they adopt a tolerant attitude to the corrupt elements in an attempt to play down the seriousness of the principled inner-party struggle and even to dodge it. This is a low practice.

2. The idea of setting the principle of "resolutely purging" against the principle of "cautiously handling." We should be very cautious in handling people who make mistakes. When taking disciplinary action against comrades who make mistakes, we should adhere to the principle of seeking truth from facts and should make decisions according to the rules and regulations of the party and in the light of the nature, degree, and actual results of their mistakes. We must not subjectively and rashly take disciplinary action against party members. If we see "cautiously handling" as only carrying out education among those who make mistakes and not as taking disciplinary action against them, or as only punishing those who make mistakes lightly, in disregard of principle, it will seem to us that expelling the corrupt elements from the party means not "cautiously handling" them. This is a one-sided view.

3. The idea of endlessly extending the scope of the application of the principle of "learning from past mistakes to avoid future ones and cure the disease to save the patient." We can only apply the principle of "learning from past mistakes to avoid future ones and cure the disease to save the patient" in saving those comrades who make mistakes in the inner-party struggles but who can be saved. As for those degenerate elements and corrupt elements who are of bad quality, we should deal with them according to the principle of "resolutely purging" so that we will be able to educate the broad masses of the party members and strictly enforce the party discipline.

We have already formulated a large number of excellent party regulations and rules as well as party laws. The 13th CPC National Congress put forward the principle of resolutely purging corrupt elements. All of these have enjoyed popular support among the broad masses of the party members and people. At present, what the broad masses of the party members and people are concerned about is how to implement this principle to the letter as soon as possible. Over the past few years, when purging the corrupt elements in the party, some local party organizations have demonstrated their hesitation in varying degrees. It took them several years to handle some simple cases which still failed to be settled in the end. And some phenomena of corruption failed to be checked in time. Practice has proved that in order to implement the principle of purging corrupt elements we must first of all adopt a resolute attitude and formulate practical measures. Moreover, we must be brave in handling the cases and strictly punishing corrupt elements. And we must be brave enough to remove the "protective umbrellas" and break through the "networks of personal relationships" so as to resolutely put an end to all the malpractices.

### RENMIN RIBAO Holds Forum on Public Opinion

#### Wang Houde Gives Speech

HK060902 Beijing RENMIN RIBAO in Chinese  
2 Jan 88 p 5

[“Excerpts” of speech by Wang Houde (3769 0624 1795), deputy secretary general of the NPC Standing Committee: “Increase Transparency and Enhance the Degree of Opening up”]

[Text] Editor's Note: In his report delivered at the 13th CPC National Congress, Comrade Zhao Ziyang clearly pointed out: “We should increase the reports on the affairs of the government and the party through various kinds of modern press and propaganda media, and give play to the supervisory role of public opinion. We should support the masses in criticizing shortcomings and mistakes in our work, in opposing bureaucracy, and fighting against various kinds of unhealthy trends.”

There are many kinds of supervision: Supervision by the masses, supervision by special organs, and supervision by public opinion. For a long time, the letters from readers column in this newspaper has published a lot of criticism, comments, proposals, and demands put forward by the masses from various quarters. Publication of these letters has given play to the supervisory role of public opinion to a certain extent, and promoted the work in certain aspects with better social benefit obtained. Of course, giving full play to the supervisory role of public opinion is inseparable from the support of other departments which have supervisory functions. Under the new situation, how should the letters from readers column give play to the supervisory role of public opinion so that it will be further accepted and welcomed by reader? We should say that this is a problem which should be solved through our further efforts. In this connection, on 23 December last year, the Mass Work Department of this newspaper invited responsible comrades from relevant departments to attend a forum on this issue. They expressed very good views. What we publish here are the main parts of their speeches. (end editor's notes)

Wang Houde, deputy secretary general of the NPC Standing Committee:

The supervisory role of public opinion is an important link for the building of state democratic politics. Doing well in giving play to the supervisory role of public opinion will promote the supervisory role of party, government, and legal discipline. When the NPC and its Standing Committee are exercising legal supervision and carrying out other supervisory work in accordance with their power vested by the Constitution, we need the cooperation of public opinion. We attach importance to and support the supervisory role of the press. I would like to make the following three points:

1. The press is the mouthpiece of the party, and also of the people. The party represents the basic and long-term interests of the people, and so does the press. Generally speaking, in the past press propaganda was mostly conducted from the top to the bottom. Little was done to reflect to the top the conditions at the lower levels. Our newspapers did not do enough to reflect the voice of the masses. To strengthen the supervisory role of public opinion, newspapers should listen more to the voices from the lower levels, and speak for the people. More work should be done to make the situation at the lower levels known to the higher levels, to conduct more dialogue, and promote understanding so that newspapers will become an important channel reflecting the demands and voice of the masses.

2. I hope that newspapers will give more publicity to the legal supervisory role and other supervisory work of the NPC in accordance with the law. The Constitution of our country has stipulated that all power in the PRC belongs to the people. The people's congress system is a fundamental political system in our country. The people exercise their power through the NPC and local people's congresses at all levels, which they have elected. People's congresses at all levels and their standing committees exercise their legal supervision and carry out other supervision work in accordance with law. Generally speaking, they can reflect the proposals, criticisms, and opinions of 1 billion people of various nationalities. The NPC and its Standing Committee examine and approve various proposed laws in an earnest and responsible way. In the process of examining and discussing them, we give full play to democracy and different opinions are encouraged. We conduct repeated discussions to achieve a unanimous, or generally unanimous, conclusion. We listen to, examine, and discuss the relevant work reports by the State Council. Motivated by the desire to be fully responsible for the people, people's deputies and members of the standing committees of people's congresses put forward many good opinions and proposals. RENMIN RIBAO and other press media have reported the activities of the NPC and its Standing Committee, and they have done a good job. The existing problem is various opinions, including important divergent views, are not fully reported. We should let people know the opinions and proposals on government work made by people's deputies. Government affairs should be publicized among the people, and democracy should be expanded. We should do our best to increase transparency and enhance the degree of opening up. Some people said: Common people are not clear about some problems discussed by the people's congresses. One of the important reasons contributing to this was that our reports on this issue were insufficient, and that sometimes our propaganda work was not conducted fully. The fact that people's deputies and people's congresses examine and discuss proposed laws and other bills means that they exercise their supervision in accordance with law over the work of the governments, courts, and procuratorates. Giving publicity to them is an important way of giving play to the supervisory role of public opinion.

3. Newspapers and other media should not avoid problems which the masses show concern about and discuss a lot. Of course, we should pay attention to social effect when reporting certain sensitive issues. The mass media should expose some typical cases. They should report the way to handle these cases from the beginning to the end, and the conclusions which have been reached. RENMIN RIBAO reported the case of Tong Yun, former deputy secretary of Taiyuan City CPC Committee, of harboring his son who had committed a crime, and interfering in public security affairs. There was a good response to this matter in society. The content of the letters from readers column should be more concentrated and remarkable. We should dare to touch upon some important issues. Under the prerequisite of investigation and verification, we should report the relevant cases in a more concentrated way. We should integrate the practice of presenting the facts and reasoning things out with that of acting according to the law.

**Economic Director Speaks**  
HK060930 Beijing RENMIN RIBAO in Chinese  
2 Jan 88 p 5

[“Excerpts” of speech by Chen Lantong, member and concurrently director of the State Economic Commission and member of the State Council's Office for Stopping Extortion in Enterprises at RENMIN RIBAO forum—date and location not given: “We Should Start With Administrative Departments and Leading Cadres in Carrying Out Supervision by Public Opinion To Support What Is Correct and Stop What Is Wrong”]

[Text] RENMIN RIBAO once publicized that the China Advertisement Association exacted charges at will. People were in great favor of this report. This was an action protecting enterprises' legitimate rights and interests as well as state property. We firmly support it.

Comrade Zhao Ziyang's report to the 13th party congress points out that “it is necessary to bring into play the supervisory role of public opinion.” Supervision by public opinion has really played a very positive role in straightening out party style, bringing about a turn for the better in the general mood of society, preserving party discipline and state law, and building spiritual civilization.

According to what I have seen in my work, I would like to talk about three points:

1. We should bring into play the supervisory role of public opinion to support what is correct and stop what is wrong. To do this, supervision by public opinion should be clear-cut, realistic, prompt, and accurate.
2. Supervision by public opinion should start with responsible departments and leading cadres.

Because our country is large and the situation in the country is complicated, not necessarily every job can be done according to what we think. It is impossible for party newspapers to take charge of everything. They should pay attention to matters with important bearing on the overall situation and expose or criticize them if necessary.

We have noticed some major problems in enterprise reforms and the reform of enterprise management. For example, reformers have been framed or vilified and things have been deliberately made difficult for enterprise operators—directors (managers). Enterprises are the principal source of wealth for the state. We should loudly appeal that it is necessary to enhance the social position of enterprise operators.

Another example is that different organs in society are asking enterprises for money and imposing unjustified financial levies on them. Comrade Zhao Ziyang pointed out on several occasions that it is necessary to protect enterprises, to protect the sources of wealth, and to stop the practice of imposing unjustified financial levies. The State Council has also issued some documents on this matter but to little avail. Now some localities are asking enterprises for financial assistance or donations. Enterprises have found themselves too busy to attend to this.

Moreover, some departments in charge of specialized undertakings do not serve enterprises but have instead put obstacles before them; they take what they want from enterprises, and if enterprises refuse to give, they will stop supplying them. Many factory directors complained to us: "The new year is approaching. We have to think of ways to entertain them. Otherwise, transportation and the supply of raw materials and electric power will be very difficult next year."

Matters like this should be exposed and criticized by newspapers. But exposition and criticism should be directed at those departments in charge and leading cadres. Why? I can give an example.

In the general financial check this year, the practice of imposing unjustified levies on enterprises has been taken as a component of the check. But financial checks in some provinces suggest that the practice of imposing unjustified levies on enterprises has not been thoroughly solved. What is the reason? This is because enterprises dare not report the fact that charges have been levied at will. What enterprises consider is this: We have delivered the money. If we report the fact, we will offend the department in charge. If the department in charge settles accounts with us, we will find the going tougher. So "why offend the Buddha after burning joss sticks in front of it?" Therefore, enterprises would rather keep silent than report. This shows that the blame lies in administrative departments and leading cadres for such a situation.

As indicated by information obtained from enterprises, a serious case is collecting education fees at will. An enterprise has to pay an education fee if a child of an employee attends school. There are already additional fees for education. Documents issued by the State Education Commission and the Ministry of Finance provide that no more surcharges should be collected. But some localities are still collecting additional fees for education from enterprises. Another example is collecting charges at will for urban construction. The slogan "people's cities are built by people" is good in itself. But now this slogan has become an excuse for collecting charges at will in some localities. It is true, many good jobs await to be done such as building parks and cultural centers. But our national strength is limited, if we devote our efforts to this, key state construction projects cannot be ensured.

The root cause of all this lies in responsible departments and leading cadres. The reason why State Council documents cannot be put into effect also lies here.

3. The law should be enforced upon its promulgation and the legal system should be perfected. Some problems cannot be handled properly because there is no law to abide by. For example, the practice of collecting charges at will has been exposed, but how should the cadres concerned be dealt with? There is no law to guide us. In other words, the legal system is very imperfect.

To meet the needs for economic and political structural reforms, the departments concerned will work out a series of decrees, such as formulating ordinances on forbidding the practice of exacting charges at will, provisional regulations on the implementation of the contract responsibility system, and provisional regulations on the shareholding system. As the legal system is still imperfect, provisional regulations are necessary so that people can abide by them when dealing with problems.

Final handling of problems exposed in the course of supervision by public opinion should be based on law and discipline. In conclusion, the building of the legal system should be carried out in the entire process of reforms.

#### Discipline Official Remarks

HK060912 Beijing RENMIN RIBAO in Chinese  
2 Jan 88 p 5

[“Excerpts” of speech by Ren Jingde (0117 2529 1795), member of the party group and head of the State Auditing Administration Discipline Inspection Group at forum convened by RENMIN RIBAO—date and location not given: “All Sectors Should Be Properly Coordinated To Ensure Public Opinion Supervision”]

[Text] At present, supervision in our country should be strengthened and especially public supervision.

Opinion supervision holds a special position among other forms of supervision. It has the widest influence and it is also the fastest. In general, once a problem is made public the department concerned will have to immediately deal with that problem in a more effective way. Today we find the following phenomenon: Some people do not fear the Discipline Inspection Department and the Auditing Department, but they do fear that the scandals they have been involved in will be revealed by newspapers. They promise to make compensation and correct the mistakes and they request that their cases are not made public by the newspapers. In view of this state of affairs we should adopt a tit-for-tat approach and strengthen our public opinion supervision. Without such supervision various unhealthy tendencies and the malpractice of using official power and functions to seek private gain would run rampant and unchecked. Comrade Chen Yun pointed out that party style is an issue concerning the party's life. I completely agree with this viewpoint which is not alarmist talk.

Opinion supervision should first be accurate and tally with facts. The problems to be revealed are generally rather complicated. The causes, background, influence, and responsibility must all be ascertained before a report is published. Under the situation of the reform this is even more important. Factual reports and accurate exposure can make the people and units concerned admit their problems, and can also educate other people.

In order to make the reports accurate, cooperation from all quarters concerned is necessary. The exposure, investigation, and handling of a major case usually involves a number of units and departments. They may hold identical or different opinions on the problems. When matters are made public through newspaper reports it is necessary to first sum up and analyze the opinions of all quarters concerned so as to draw a realistic conclusion which is in keeping with the relevant policies and laws.

When we openly expose the problems we should also talk directly to the people concerned. At present, some comrades merely like to hear praise and hate to hear any criticism. They only want to boast about their achievements and fear the revelation of their shortcomings and mistakes. They think that the open revelation of their shortcomings is equal to openly damaging their reputation, and they regard the revelation of their mistakes as negating their achievements. These comrades fail to use a dialectical viewpoint to treat their achievements and shortcomings, and their attitude will obstruct the development of socialist democracy and impede opinion supervision.

If it is found that open and internally circulated reports about some problems do not tally with facts. They should be corrected as soon as possible so as to retrieve the reputation of the people and units concerned. If the opinion media can rapidly correct what is wrong, they will enjoy a good reputation among the people. In some cases the reports do tally with facts, but the problems

involved are controversial. Then, we should allow different opinions to be aired so as to enliven our social life and to finally distinguish the right from the wrong.

#### Research Director Offers Ideas

HK060906 *Beijing RENMIN RIBAO* in Chinese  
2 Jan 88 p 5

[“Excerpts” of speech by Li Gangfeng (2621 0474 6912), deputy director of the Central Discipline Inspection Commission Research Office at RENMIN RIBAO forum—date and location not given: “Make Greater Efforts To Handle Matters Concerning the Masses”]

[Text] It is a tradition of our party to attach importance to supervision by public opinion. In the early period of the People's Republic, the party Central Committee made a decision on launching criticism and self-criticism in newspapers and magazines. In his report to the 13th party congress, Comrade Zhao Ziyang again reaffirmed the issue of “giving play to the role of supervision by public opinion.”

There is a close relationship between supervision by public opinion and discipline inspection work. The method of exercising supervision by publishing public opinion in newspapers can speed up the handling of violations of discipline and can be regarded as an impetus to discipline inspection work. By publishing violations of discipline in the newspapers we can draw the attention of not only those criticized but also the party organizations. After the case of Tong Yun shielding his son, who had committed a crime, and interfering in public security business was published in RENMIN RIBAO, the leading comrade from the Central Discipline Inspection Commission took up the matter personally and called for the case to be handled. The Shanxi Provincial CPC Committee and the provincial Discipline Inspection Commission dealt with it seriously. The result was quite satisfactory.

In line with the spirit of the 13th party congress, what should we do to give play to the supervisory role of public opinion?

In our view, in struggling against unhealthy tendencies we should seize on the problems among a small number of cadres about which the masses have the strongest complaints. As far as we know, the masses are most dissatisfied with the practice of taking advantage of one's position and power to seek personal gain and with bureaucratism. These have various manifestations.

Those taking advantage of their position and power to seek personal gain often flaunt the banner of legality. They seek personal gain under various pretexts, at public expense, or by means of public offices. The problem of seeking the interests of small groups is also very conspicuous. Some people say: “So long as you do it for the

collective, it is reasonable no matter how you do it." In fact the masses derive minor gain while the leaders derive major gain from this.

The most complaints the masses have about bureaucratism is that some people stand so high above the masses that they are seriously divorced from them, are indifferent toward their weal and woe, and even ride roughshod over them. They blindly make decisions without conducting investigation and study. They are so irresponsible, the management is in such a chaos, and the system is so lax that major losses are incurred. Flaunting the banner of carrying out lateral exchanges, studying, and learning from others' experience, they take pleasure trips to scenic spots at the expense of the state without doing any practical work.

Professional unhealthy practices are also fairly serious in some localities and departments, such as eating and taking more than one is entitled to, making things difficult for people, and asking for gifts. You will not be able to get anything done if you do not invite them to dinner or send them presents. The masses describe them by saying: "They are not high officials but they have such big powers that we cannot afford to offend them or dispense with them." Some party cadres are also involved in these unhealthy practices.

Moreover, there are problems of infringing upon the rights of party members and citizens such as stifling democracy, suppressing democracy, and retaliating against and framing people. In the course of investigating and handling cases there are also the practices of interceding for someone, taking advantage of relationship networks, substituting power for law, suppressing law with power, and so on.

In short, the masses have a lot of complaints about these negative phenomena within the party, as well as the failures of some party organizations to take strong measures to rectify them. Some party organization even take an indulgent attitude toward them. Many people say that it is necessary to seize on these problems and expose them.

On the layout of the letters from the readers column, I would like to make the following suggestions:

1) It is necessary to couch the exposed materials in such a way that the masses will believe them. This makes it necessary to have accurate facts, preferably with an investigation appendix attached.

2) It is necessary to attain positive results from the exposition and criticism of negative things. There must be follow-up to the criticisms and the relevant units should answer as to how the matters have been handled and rectified. If party organizations actually and seriously deal with erroneous practices, the masses will be able to see hopes of improvement in party work style.

Moreover, when exposing a problem, instead of considering it as it stands we should reason things out. It will be better if we can write some short and pithy commentaries on the problem and the false reasoning behind the unhealthy practice and dishonest method, so that people can understand where the errors lie and what they should do about them.

3) It is necessary to make some preparations, such as seizing on problems that produce great impact in a certain period. In the course of reporting them the newspaper offices and the relevant quarters should coordinate with each other. In this way the result will probably be better.

#### Supreme Court Leader Speaks

*HK060909 Beijing RENMIN RIBAO in Chinese  
2 Jan 88 p 5*

[“Excerpts” of speech by Zhu Mingshan (4376 6900 1472), vice president of the Supreme People's Court: “Use Public Opinion Supervision To Promote the Building of Socialist Democracy and Legal System”]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, socialist democracy and the socialist legal system in our country have made great progress. The 13th party congress put forward the requirement for building socialist democratic politics. In order to strengthen our socialist democracy and develop the legal system we must do a great deal of work. Public opinion supervision is a powerful tool, and it can play a role in promoting and advancing the building of socialist democracy and the legal system.

In the past few years RENMIN RIBAO has played a positive role in exercising opinion supervision. I like to read the column of readers' letters, especially the letters which make criticisms. I pay special attention to the letters which criticize the work of our courts. A court of law is a judicial organ which is responsible for trying various criminal, civil, economic, and administrative cases. The court's trials are open (except for cases which cannot be openly tried as specified by law). That is, ordinary citizens are allowed to listen to the trials, and reporters are allowed to cover and report the trials. Openness means that we must subject our work to public supervision, especially public opinion supervision. However, it would be very prudent to decide what cases should be reported by the newspapers and what cases should not be reported by giving careful consideration to the social effects of such reports. We welcome all social circles' supervision over the work of our courts in various aspects, because this will help us improve our work.

In order to carry out the political structure reform, public opinion supervision must be strengthened and improved.

First the reports, especially those concerning court trials, should be made as accurate and factual as possible, and this is the premise of a report. If the report is not accurate or not true, things may be confused and become more complicated and troublesome, and may cause bad social effects. For example, if a report damages the reputation of a citizen, the victim will accuse the reporter of infringing upon human rights and demand a legal penalty against the reporter and the newspaper. Some newspapers and magazines have been accused of damaging the reputation of some citizens because their reports were not true. One of the cases was the suit filed by citizen Wang Faying against writer Liu Zhen.

Second, legal issues are generally rather complicated, so the articles concerning the judicial work should be brought into line with the legal procedures when they are published by newspapers so as to prevent any violation of the laws and regulations concerned.

**Minister Urges Press Supervision**  
*HK060910 Beijing RENMIN RIBAO in Chinese*  
*2 Jan 87 p 5*

[“Excerpts” of speech by Xu Qing (1776-1830), vice minister of supervision, at a forum convened by RENMIN RIBAO—date and location not given: “Strengthen Links Between Supervisory Work and Supervision by Public Opinion”]

[Text] In his report to the 13th party congress Comrade Zhao Ziyang put forward the issue of strengthening supervision by public opinion. This was the first time that the issue was officially put forward in the party congress document. It is quite necessary to use public opinion to exercise supervision over topical and important problems. We hope to strengthen our links with press institutions and we hope that press units will frequently provide us with information and other material on press supervision. We are also ready to regularly or irregularly circulate notices to RENMIN RIBAO and other press units so that some important and typical cases at our disposal can be made public through newspapers.

Supervisory work is also a kind of supervision. Its source of information is similar to that of RENMIN RIBAO's mass work department, mostly from people's letters and visits. Currently we receive an increasing number of letters involving a wider range of issues. In keeping with Comrade Zhao Ziyang's view we are now concentrating our forces on illegal activities in economic exchanges with foreign countries. Naturally, we also pay attention to problems reflecting certain tendencies such as the practice of taking advantage of one's powers to seek personal gain and bureaucratism. The letters from the readers column of the newspaper should also report these problems in a planned and selected way so as to bring into better play the supervisory role of public opinion.

Supervision should include both these aspects. There is now an impression that supervision means paying attention to problems. This is not an all-round view. The experience of the Shenzhen Supervisory Bureau has given us some enlightenment. They categorically put forward three aspects of work, namely, education, legislation, and the handling of cases. They not only paid attention to investigating and handling cases but also established many good examples and encouraged good practice, thus playing an educational role. In exercising supervision by public opinion we should also pay attention to good examples.

Strengthening supervisory work and press supervision is urgently needed by reform and opening up. It is also the trend of objective development. It is hoped that we and the press supervisory departments can support each other and work in close coordination.

**Propaganda Department Makes Personnel Changes**  
*HK060150 Hong Kong MING PAO in Chinese*  
*6 Jan 88 p 14*

[Report: “He Jingzhi Instructed To Retire; Wang Renzhi Expected To Be Transferred Soon”]

[Text] The CPC central leadership officially approved the retirement application by He Jingzhi, deputy director of the CPC Central Propaganda Department, in mid-December. It is also expected that Wang Renzhi will not maintain his office as director of the Central Propaganda Department.

According to sources in Beijing, before the 13th party congress the party central leadership instructed He Jingzhi to apply for retirement; but at the party congress, he was still elected a member of the Central Committee. This made some people think that he would remain in office as deputy director of the Central Propaganda Department. However on 17 December, the CPC central leadership officially issued an instruction to the Central Propaganda Department approving He Jingzhi's retirement application. At the same time Meng Weizai, director of the Central Propaganda Department Literary and Art Bureau, was transferred to another position.

He Jingzhi is one of the five deputy directors of the Central Propaganda Department. On face of it he will retire for reasons of age; but in reality, in the past year, he has been in serious discord with open-minded intellectuals in the ideological, theoretical, literary, and art circles, because he was rather active in the struggle against bourgeois liberalization.

Therefore, He Jingzhi's retirement was regarded as a demonstration of the changes in the CPC leading group in charge of ideological work during the past year. In early 1987 the CPC decided to stage a struggle against bourgeois liberalization. Wang Renzhi, the former deputy editor in chief of HONGQI, replaced Zhu Houze as

head of the Central Propaganda Department, and Deng Liqun, then secretary of the CPC Central Secretariat, took charge of ideobogical work;

After Zhao Ziyang made an anti-leftist speech in May, Hu Qili took over the reins in propaganda and ideological work. At the 13th party congress, Deng Liqun failed to be elected to the Central Committee; while Wang Renzhi was elected to the Central Committee as the member winning the fewest votes. Shortly after the party congress it was rumored that HONGQI would be disbanded.

It is expected by many people that the current Central Propaganda Department director Wang Renzhi, who came from HONGQI and has close relations with Deng Liqun, will very probably soon be transferred to another position, and it is very likely that Rui Xingwen, current secretary of the party Central Secretariat, will take over the leadership of the Central Propaganda Department.

Rui Xingwen is a former secretary of the Shanghai Municipal CPC Committee. He was elected secretary of the Central Secretariat at the 13th party congress, and his position as secretary of the Shanghai Municipal CPC Committee was recently taken over by Shanghai Mayor Jiang Zemin.

Recently, Rui Xingwen was appointed deputy chief of the CPC Central Committee's leading group for propaganda work, and his main duty is to assist Hu Qili in directing the propaganda and ideological work.

**Zhao Ziyang Visits Coastal PLA Units**  
*OW060454 Beijing Domestic Service in Mandarin*  
*2230 GMT 5 Jan 88*

[Text] Zhao Ziyang, general secretary of the CPC Central Committee and first vice chairman of the Central Military Commission, during an inspection tour of China's eastern coastal cities, cordially visited commanders of Army, Navy, and Air Force units stationed in the region, as well as retired PLA cadres, from 1 to 5 January. He made the visits in the company of Rui Xingwen, member of the Secretariat of the CPC Central Committee, and Commander Xiang Shouzhi and Political Commissar Fu Kuiqing of the Nanjing Military Region.

On behalf of the party Central Committee, the Central Military Commission, and Chairman Deng Xiaoping and Vice Chairman Yang Shangkun of the Central Military Commission, Comrade Zhao Ziyang extended greetings to the commanders and fighters of the three Armed Forces. He also encouraged them to do their work better in the first year when the guidelines of the 13th party congress will be implemented in an all-round way. He also highly praised retired PLA cadres for taking the lead in implementing the retirement system and contributing to the reform of the state and army cadre systems.

On New Year's Day, Comrade Zhao Ziyang visited leading cadres at the divisional level or above at the headquarters in Xiamen of a group army under the Nanjing Military Region. On 3 and 5 January, he visited leaders of the Fuzhou-stationed Air Force units under the Fujian Provincial Military District as well as retired cadres who used to work at the corps level or above in the former Fuzhou Military Region. He also visited cadres at the regimental level or above of the East China Sea Fleet as well as leading comrades of the Zhoushan garrison force under a group army of the Nanjing Military Region and of the Zhejiang Provincial Military District. He gladly had group photos taken with them to mark the occasion.

It was the first time for Comrade Zhao Ziyang to visit PLA units in his capacity as first vice chairman of the Central Military Commission. Commanders of the three armed services greeted Comrade Zhao Ziyang with warm applause.

On behalf of the commanders and fighters of the three armed services stationed in southeast China's coastal areas, Commander Xiang Shouzhi of the Nanjing Military Region thanked the leading comrades of the party Central Committee and the Central Military Commission for their profound concern in army building.

Present at the meetings with Comrade Zhao Ziyang were Chen Guangyi, secretary of the Fujian provincial party committee; Wang Zhaoguo, acting governor of Fujian Province; Xue Ju, secretary of the Zhejiang provincial party committee and governor of the province; and leading comrades of locally stationed PLA units.

**Li Peng's Inspection of Shenzhen Viewed**  
*HK060129 Hong Kong WEN WEI PO in Chinese*  
*5 Jan 88 p 2*

[Text] Shenzhen, 4 Jan—From 1 to 4 January, Li Peng, member of the Standing Committee of the Political Bureau of the CPC Central Committee and acting premier of the State Council, inspected work in Shenzhen. He encouraged the cadres and the masses of people in the Shenzhen Special Zone to strive to acquire and uphold the spirit of the 13th National Party Congress in the new year. They must fight amidst hardships, continue exploring and creating the new, and energetically develop an externally-oriented economy. This is to enable the special zone to take a still bigger step forward in the matter of reform and opening up.

Accompanying Acting Premier Li Peng on the inspection trip were Ding Guangen, alternate member of the CPC Central Committee Political Bureau; Kuang Ji, vice governor of Guangdong; and others.

Acting Premier Li Peng and his party arrived in Shenzhen on the afternoon of 1 January. During his stay in Shenzhen, he placed emphasis on acquainting himself

with conditions regarding the Guangdong nuclear station. He inspected and studied some externally-oriented enterprises. On his visit to the Science and Technology Development Company of Shekou, the Xinguang Dairy Company, and the Shenzhen Jiguang Electronics Company Ltd, Li Peng asked questions concerning the use of raw materials obtained in our own country in production, the development of new products, and the marketing of products abroad. He expressed appreciation for the achievements and experiences of these enterprises in introducing imports from abroad and establishing proper links at home.

While he was in Shenzhen, Li Peng also met with the whole body of leading members of the Shenzhen City party committee and the Shenzhen City Government and responsible persons of relevant departments.

As Li Peng listened to work reports, he said that there have been great changes in the past few years. Results have been obtained with investments made and technology imported. Shenzhen's economy has begun turning into an economy of the production and operation type and of the externally-oriented type. Shenzhen must play the role of "four windows" on technology, management, knowledge, and foreign policy. In this respect, Shenzhen has made great contributions toward the state. In the matter of reform and opening up, Shenzhen must continue playing the role of a "vanguard." It must firmly and unwaveringly press on with many experimental reforms, such as the enterprise reform, government functions reform, land and housing reform, and so on.

Li Peng also suggested that Shenzhen must pay close attention to international economic trends so that the economic development of the special zone can be brought in line with changes in the international market.

**CHENG MING on Li Peng's Promotion**  
*HK060540 Hong Kong CHENG MING in Chinese  
No 123, 1 Jan 88 pp 6-9*

[“Notes on a Northern Journey” by Lo Ping (5012 0393): “Li Peng’s Promotion Is Criticized by Many People”]

**[Text] The Political Rumor “Framing” Zhou Enlai [sub-head]**

Recently, political rumors have spread one after another to every corner of Beijing City. One of these contends that Zhou Enlai left a will before his death and asked Deng Yingchao to keep it secret for 10 years, and then deliver it to the party Central Committee. There is a passage in the will asking the party Central Committee to put Li Peng in an important position. To realize Zhou Enlai's behest, Deng Yingchao put in a good word for Li Peng everywhere. She eventually prevailed upon Deng Xiaoping and ensured Li Peng's appointment as acting premier.

Curiously, those spreading this rumor know that it is only a rumor but they still take pleasure in talking about it over a cup of tea or after dinner. The result is that the political rumor has been spread out of proportion.

Deng Yingchao was reportedly very angry after hearing the rumor, saying with great indignation: Shit! This has been done with ulterior motives. Some people have framed (Zhou) Enlai to vent their dissatisfaction over Li Peng's appointment as acting premier!

If this rumor can convince people, it is naturally advantageous to Li Peng. The problem is that "rumors stop at the wise" and, now that even feeble-minded persons can see through it, it is unfavorable to Li Peng. Obviously, the reason for people's relish in spreading the political rumor is to ridicule Li Peng. It is believed that not only Deng Yingchao but also Li Peng were very much annoyed by this rumor.

In short, the emergence and rapid spread of the political rumor reflects social resentment over Li Peng's appointment as acting premier and later as premier.

**Beijing University Students Are Dissatisfied With Li Peng [subhead]**

Li Peng's appointment as acting premier first evoked an extraordinarily strong reaction in Beijing's institutes of higher learning.

Before XINHUA made an official announcement, the news of Li Peng's promotion had spread far and wide. After the conclusion of the 13th party congress, there were different degrees of discontent in Beijing's institutes of higher learning. Many people held that Li Peng's promotion represented a reward obtained without real achievements or contributions. It shows that the promotion of party cadres is determined by the personal likes and dislikes of the leaders rather than achievements in one's official career. It is the result of rule by man. In their view, during his terms of office as head of the educational department (minister in charge of the State Education Commission) over the past few years, educational undertakings have stagnated, the remuneration of teachers has basically remained unchanged, school management is poor, and the food is very bad. Not only is it impossible to carry on educational reform but there are signs of leftist retrogression. Li Peng should be held responsible for these. What makes the university students most resentful is that Li Peng is eager to restore political study and the military training system in universities, and that he has restored the professional political instructor system, which was once abolished, in many universities. A university student told me: Li Peng is minister in charge of the State Education Commission but he attaches little importance to education. A proof of this is that in 1986 he allowed educational expenditures to be slashed by 10 percent.

News of Restrictions on Numbers of Students Going Abroad at Their Own Expense Has Given Rise to Discontent in All Schools [subhead]

Many students want to go abroad to study but more stringent restrictions have been placed over qualifications. When they arrive in foreign countries, they are also subject to the supervision of "students studying abroad" at public expense. Many students denounced these irrational measures by Li Peng.

It is said that there will be a new law next year (1988) governing students studying abroad and that a new law on entering and leaving the country will be approved at the NPC meeting. It is said that it is necessary to strictly control personnel going abroad, particularly those engineers, technicians, artists, journalists, and senior cadres' children studying abroad at their own expense. University students are afraid that they will not be able to go abroad in the future and therefore they have a lot of complaints about Li Peng. "It Is Necessary To Prevent Li Peng From Becoming Premier" [subhead]

At a class discussion meeting, two students (one named Huang and the other named Li) from the Philosophy Department of Beijing University criticized Li Peng's promotion as a major retrogression in China's cadre line and said it was necessary to prevent Li Peng from taking office. Their views aroused a strong reaction in the discussion meeting. The university party committee reported the matter the same night to the higher education department of the municipal party committee and the State Education Commission. The higher education department of the municipal party committee reportedly sent people to the Philosophy Department of Beijing University the next day in the hope of holding a dialogue with the students but they were rendered speechless by the students' questions:

"Li Peng has not made any achievements in his official career as minister in charge of the State Education Commission, has he?"

"...."

"Due to the unsatisfactory conditions in education, the lack of democracy in schools, and the seriousness of bureaucratism, the student movements erupted in Shanghai, Beijing, and other places at the end of 1986 and the beginning of 1987. In early 1987 Hu Yaobang was overthrown because of the student movements and "liberalization" but, instead of being affected in any way, why is it that Li Peng, who should be held directly responsible for the student disturbances, has advanced smoothly in officialdom?

"...."

"Forestry Minister Yang Zhong was dismissed because of the great fire in Heilongjiang but why is it that Li Peng, minister in charge of the State Education Commission, was promoted instead of being sacked?"

"...."

Senior Cadres' Children Were Beaten Up at Beijing Normal University [subhead]

University students are very much disgusted by the emergence of a special privileged strata in "famous universities." According to an article carried in a restricted government publication in Beijing, the children of senior cadres (at and above bureau level) studying in institutes of higher learning such as Beijing University, Qinghua University, People's University, and Beijing Normal University, account for 11.9 percent of the total number of students in these universities. These students form a privileged strata in schools and are antagonistic to other students. After Zang Wei, a student from the University of Foreign Economic Relations and Trade, was killed, the students reacted strongly. Many students in Beijing Normal University held rallies on the school campus protesting against public security personnel for beating up students. Because Zang Wei came from an ordinary family, two senior cadres' children said contemptuously: Zang Wei's death has nothing to do with our school! The other students argued and later came to blows with them, beating them black and blue. The school security department wanted to discover the "assailants" but, being afraid of causing greater trouble, they had to leave it unsettled. The two senior cadres' children who had been beaten up were escorted that same night to the PLA 301 Hospital (one of the students was reportedly the son of a new deputy director of the Naval Political Department).

University Professors Are Also Disgusted With Li Peng [subhead]

A university professor held that in using people Li Peng is conservative and, being over-anxious for reliability, gets just the opposite of what he wishes. He told me that before and after the 13th party congress, he instructed some academic leaders in speaking glowingly about the excellent situation. For example the talks given by Shanghai's Fudan University President Xie Xide and the presidents of Shanghai's Jiaotong and Zhejiang Universities, as openly reported by their mouthpieces, were extraordinarily conservative and "Leftist" and were universally condemned by university teachers and students. Since these ideologically conservative and rigid people have been asked to administer schools, it is no wonder that the contradictions have become more acute. The professor also disclosed that, under Li Peng's administration, ideologically liberal teachers and school leaders have either been subjected to pressure or have not been promoted to important positions for a long time. For example, Wuhan University President Liu Daoyu is

subjected to heavy pressure. The problems for some university teachers who have been subjected to pressure or political persecution for a long time have not been rationally solved to date.

In many universities cadres engaged in political work have been awarded the title of "professor," while many teachers having the necessary qualifications to become professors or associate professors have not been promoted for a long period. These measures by Li Peng have also given rise to the teachers' resentment.

#### Many Cadres Remain Unconvinced by Li Peng [subhead]

Not only students and teachers but also many figures in literature and art circles, and even cadres, have also expressed dissatisfaction over Li Peng's appointment as acting premier. After telling me about the poor economic life in the Soviet Union, a writer who had visited the country said: "I am really afraid that Li Peng will again regard the 'Soviet experience' as a treasure!" He summed up his assessment of Li Peng in four Chinese characters meaning to use an untalented person in an important position.

After Li Peng took over as acting premier, the principal leaders of many ministries and commissions under the State Council were nervous because, at a routine meeting of the State Council at the end of November, Li Peng announced, with a very tough attitude, that efforts would be made at the end of this year and early next year to consolidate State Council work. He cited examples showing that some ministries and commissions had failed to keep up with the situation in their work. He especially criticized the agricultural and foreign trade departments. At a recent routine State Council meeting, Li Peng called on all ministries and commissions to explore all possibilities of earning foreign exchange, to fulfill their quotas next year, and to stimulate next year's economic development. He also said that Comrade Chen Yun's "correct economic idea" is still important and is of practical guiding significance in the new period of reform and opening up. These "Leftist" remarks also shocked the cadres.

An old cadre told me of a recent event: After Li Peng headed the State Council, two deputy chiefs from Beijing's Electric Power Management Bureau who had worked with Li Peng for some time, were suddenly summoned to the Beijing Municipal CPC Committee Organization Department, where they were forced to go through the retirement procedure. The reason was that in different places and on numerous occasions in the past, the two deputy chiefs had talked about Li Peng's unhealthy practices when he worked in Beijing's Electric Power Management Bureau.

#### Two Electric Power Management Bureau Deputy Chief's Were Forced To Retire for Exposing and Criticizing Li Peng [subhead]

The forced retirement of the two deputy bureau chiefs aroused a strong reaction in the electric power management bureau organs. Some people cursed Li Peng for trampling on others after he had assumed great power. However, some people also say that this was a despicable thing carried out by the Beijing municipal authorities to curry favor with the new premier. The news of the forced retirement also aroused comments in BEIJING RIBAO. The reporter who criticized Li Peng for his bureaucratic airs in BEIJING RIBAO several years ago and a certain Mr Wang, the incumbent head of the Beijing Municipal CPC Committee Propaganda Department responsible for signing and issuing the report, were on tenterhooks. Some people said that they regretted having failed to accurately see the situation and were afraid that it would bring them trouble in the future.

The old cadre naturally did not have a good impression of Li Peng, saying: Although Li Peng has become a member of the Political Bureau and has been a vice premier for several years, people have not noticed any great ability for leadership work. In economic work he has neither raised any creative views nor attained any achievements. The old cadre also said: Some technicians in Beijing's Electric Power Management Bureau also remain unconvinced by Li Peng. "They said that although Li Peng formerly engaged in electric power work, the nation's power supply was in a mess and that, although China is rich in coal and petroleum, Li Peng went in for grandiose Western projects at the expense of thermal power projects, wanting to build nuclear power plants and the Three Gorges Dams in a big way which was quite unrealistic."

#### The Director of Beijing's Science and Technology Commission Made Impertinent Remarks About Li Peng [subhead]

Those taking exception to Li Peng's appointment as premier are not restricted to this cadre alone. Many old cadres also have similar views. At a discussion meeting in a class studying the documents from the 13th party congress sponsored by Beijing Municipality for cadres at the bureau level, after enumerating Li Peng's resume a certain Mr Chen, director of Beijing's Science and Technology Commission, said: I could never understand how he could be asked to become premier. Later, however, I came to understand that being Premier Zhou's stepson and the son of senior cadres, he could become the premier of a big country!

After hearing his news, I was anxious for the old cadre for daring to speak his mind.

#### Chen Yi's Son Was Taunted for Lauding Li Peng to the Skies [subhead]

In addition to the main stream of voices there are also tributaries singing different tunes. Some of these are the princes who failed to be elected as deputies to the 13th party congress. They were proud and elated for Li Peng.

the prince who has seemingly soared on the wings of a cyclone. At the study class on the 13th party congress documents attended by cadres at and above section level, which was sponsored by the Ministry of Radio, Film, and Television, Chen Haosu (Chen Yi's son), who was transferred there as vice minister of radio, film, and television, spoke at length about the correctness of the cadre line from the 13th party congress and Li Peng's outstanding achievements since he became vice premier and minister in charge of the State Education Commission. As Chen Haosu talked on and on in a flow of eloquence, an elderly vice director of Beijing's radio department unceremoniously stood up and said: Chen Haosu, I hope you will talk more about the conditions in the ministry in conjunction with the documents of the 13th party congress. Whatever great achievements Li Peng has performed have nothing to do with us. The old director's remarks brought a burst of applause and Chen Haosu's face immediately turned red.

#### **What Has Enabled Li Peng To Climb to Such a High Position [subhead]**

As stated above, the spearhead of the political rumor which angered Deng Yingchao was actually directed at Li Peng. If Li were not the stepson of Zhou Enlai and Deng Yingchao, he would never have climbed to the position of acting premier. According to a Beijing source close to Zhongnanhai, in the course of Li Peng's advancement CPPCC Chairman Deng Yingchao has lent him a helping hand. It so happened that during the Beidaihe meeting, on many occasions Deng Yingchao solicited the views of Chen Yun and Peng Zhen and vigorously recommended that Li Peng be appointed acting premier of the State Council. This was in fact a precondition for Deng Yingchao's relinquishing her post as CPPCC Chairman. While soliciting the views of Chen Yun and Peng Zhen, Deng also solicited the views of Li Xiannian, Yao Yilin, and Yang Shangkun. All these people expressed their explicit approval of Deng Yingchao's proposal.

The last but most crucial step was that Deng Xiaoping gave the go-ahead.

#### **Only Zhao Ziyang and Gu Mu Did Not Support Li Peng's Promotion [subhead]**

However, Zhao Ziyang had reservations about Li Peng's assuming the acting premiership. On numerous occasions at official meetings Zhao Ziyang vigorously recommended that Wan Li be appointed acting premier, which at one time won Deng Xiaoping's approval. However because Chen Yun, Peng Zhen, Deng Yingchao, Li Xiannian, and other elder statesmen unanimously supported Li Peng as acting premier, not only was Wan Li replaced by Li Peng but his post as executive vice premier was also taken by Chen Yun's close follower Yao Yilin.

**Eventually Zhao Ziyang Could Not But "Obey the Organization" [subhead]**

State Councillor Gu Mu was clearly opposed to such an arrangement. According to sources close to Gu Mu, soon after the conclusion of the 13th party congress, one evening when reporting to Deng Xiaoping on work progress, Gu Mu and Zhao Ziyang again told Deng about their disapproval of Li Peng as acting premier. At that time Deng only said that the choice of premiership would be decided by the Political Bureau and that Zhao Ziyang's appointment as general secretary would remain unchanged. Deng Xiaoping also said to Gu Mu: You should make a success of the special zones and raise them to a new level. You should take bigger steps.

#### **Underground Shuttle Activities for the Convocation of This Year's NPC [subhead]**

The NPC to be held in the first half of 1988 will elect government leaders at all levels. At present, the upper circles in Beijing are conducting underground activities. There is a stream of guests going to the homes of such leaders as Chen Yun, Peng Zhen, Li Xiannian, Li Peng, and Yao Yilin all day. There are even more visitors at Li Peng's home. According to a source from the State Council's General Office, 37 ministers and vice ministers and 11 provincial governors and mayors (incomplete statistics) have met or asked for a meeting with the acting premier. Some people hold that there may be some unhealthy practices of officialdom here.

On the other hand, after Li Peng took over as acting premier, he also spent three nights calling on people of the other generation, such as Chen Yun and Peng Zhen. Yao Yilin accompanied Li Peng on these visits but Wan Li did not. When Li Peng and his entourage arrived at Peng Zhen's residence, which is situated opposite the municipal party committee building, the first question Peng Zhen asked was: Why is it that Wan Li does not come? When talking with Li Peng, Peng Zhen put on the air of an elder lecturing the younger generation. Li Peng reportedly accepted his instructions respectfully.

#### **The Acting Premier Is in a Terrible Fix Facing Political and Economic Crises [subhead]**

It is clear that the conservative old men regard Li Peng as an important chessman in their struggle against the reformists. The current situation in the political board game is one in which the two sides are evenly matched. It can also be regarded as the reformists slightly gaining the upper hand. Precisely because of this the conservative forces have more firmly held on to Li Peng in order to grasp central power through him. And precisely because of this Li Peng, who has neither great learning nor the ability to exercise all-round leadership, is facing various problems such as the economic difficulties characterized by soaring commodity prices and high inflation, and the political crises characterized by the people's

serious inclination toward dissent, growing dissatisfaction over the present situation, and a chorus of censure against Li Peng. Beset with difficulties in all directions he is now in a terrible fix. When he first took over as acting premier, Li was radiant with satisfaction and enormously proud of his success. He should know by now that he has laughed too early. A person in Beijing said: "Let's see how long Li Peng can look triumphant?" Nobody is optimistic about Li Peng's political future.

This is the sorrow of feudal and bureaucratic politics.

**Hu Qili Meets With Shanxi Writers, Artists**

*OW051415 Beijing XINHUA Domestic Service  
in Chinese 0905 GMT 5 Jan 88*

[Text] Taiyuan, 5 Jan (XINHUA)—At a discussion meeting yesterday with Shanxi writers and artists in Taiyuan City, Shanxi Province, Hu Qili, member of the Standing Committee of the Political Bureau and of the Secretariat of the CPC Central Committee, stressed the need to further implement the "double-hundred principle" to invigorate literature and art. Comrades in the literary and art circles should strengthen unity, gain more real life experience, and produce more and better literary and art works that reflect the spirit of our times.

Hu Qili came to Taiyuan after inspecting work in some areas of Hebei and Shanxi. On the morning of 4 January, he attended a meeting with a dozen or so comrades of Shanxi's literary and art circles, including Ma Feng, Hu Zheng, Xi Rong, Sun Qian, Zheng Yi, and others. At the meeting, the participants freely talked about their gains from studying the documents of the 13th CPC National Congress and about the excellent situation in literature and art. They also offered opinions and suggestions on literary and art reform, stressing that the principles in literature and art should remain stable for a long period of time in order for literature and art to prosper.

Hu Qili said he agreed that China now finds itself in one of the best periods since the founding of the PRC as far as literature and art is concerned. Particularly noteworthy is that, after the 13th CPC National Congress, people have full confidence in further invigorating literature and art. He said: We must resolutely implement the principle of "letting a hundred flowers blossom and a hundred schools of thought contend"; encourage the blossoming of literary and art works of different themes, artistic schools, and styles; and refrain from using crude administrative orders and means to interfere in literature and art. We should actively carry out normal literary and art criticism. In managing literary and art affairs, our party should follow the law of literary and art creation, manage only major affairs and the major orientation, and pay attention to the guiding ideology so as to create an environment favorable to the vigorous development of literature and art.

Hu Qili said: In order to consolidate and develop the excellent situation on the literary and art front, and maintain stable principles in literature and art over a long period of time, we should constantly remind two types of comrades. The first type are those who cannot keep up with the pace of reform and opening to the outside world. The second type are comrades who tend to be too outspoken, or "overreach" themselves. They are all good comrades. The trouble is just that in anything they see more of one side than the other. We should make them realize that the "leftist" habitual force is the major obstacle to reform and opening to the outside world. On the whole, it remains a major task for a rather long time to come to overcome the "leftist" habitual force and rigid thinking. Meanwhile, we should not lower our guard against bourgeois liberalization, which will still appeal to some people before China shakes off its undeveloped conditions. Under certain circumstances, when bourgeois liberalization becomes a prominent issue, we will have to concentrate our efforts on solving it. Even when we are doing this, we should never overlook the long-term major task of overcoming rigid thinking. In a word, we should keep in mind that we uphold "one center, two basic points." There are two basic points, not one. Neither is dispensable. Hu Qili also encouraged all to earnestly study and master the Marxist stand, viewpoint, and method; strengthen unity; and delve into the realities of reform and opening to the outside world—the realities of having to make tremendous progress each day, and of having to be vibrant with life and energy. We should look into the future, keep abreast of the times, turn out works that measure up to our great era, and usher in an upsurge in literature and art which is bound to appear in the wake of a high tide of economic construction.

**Hu Qili Stresses Ideological, Political Work**

*HK06013 Taiyuan Shanxi Provincial Service  
in Mandarin 2300 GMT 5 Jan 88*

[Summary from poor reception] "Comrade Hu Qili, member of the Standing Committee of the CPC Central Committee Political Bureau and member of the Secretariat of the CPC Central Committee, stressed during his inspection of Shanxi Province that ideological and political work is our party's precious heritage, and this work can only be strengthened and cannot be weakened in the course of carrying out reforms and opening up."

Comrade Hu Qili arrived in Shanxi just before the New Year to carry out investigation and study. He listened to reports given by leading comrades of the provincial party committee and government on study of the 13th party congress spirit and on continuous deepening of reforms to develop the province. He also visited factories, mines, and other units in Yangquan and Taiyuan to listen to people's views and demands.

Hu Qili said: "Ideological and political work is our precious heritage. Both in the war years and now, ideological and political work plays a tremendous role in ensuring victory both in war and in economic construction."

Hu Qili said: "At present we must protect the enthusiasm of the political work cadres. The number of full-time political work cadres will be reduced and streamlined in the wake of political structural reforms. However, the contingent of people concurrently undertaking ideological and political work and other duties must be expanded. A plant manager cannot fulfill his production targets well if he is only thinking of these targets and is not carrying out ideological and political work. Of course, protecting the enthusiasm of the political work cadres certainly does not mean protecting (?the system of the past)."

During his inspection, Comrade Hu Qili showed great interest in the masses' new forms of self-management and self-education that have been created by themselves in recent years, such as the wedding and funeral commissions, the commissions for assessing ethics, and so on. "He fully endorsed the role of such forms of activity in carrying out ideological and political work."

"Comrade Hu Qili also gave views on how to do a good job of social consultation and dialogue and strengthen the building of socialist democratic politics in the current stage. He said that the programs inaugurated by the Taiyuan Television Station entitled 'The mayor and the citizens' and [words indistinct] are very good; they have laid a bridge of understanding between the government and the masses."

On 4 January, Comrade Hu Qili held a forum with some comrades of the province's literature and art circles, including Ma Feng, Hu Zheng, Xi Rong, and Sun Qian. "He highly praised the achievements of the province's literature and art circles in recent years and urged them to seriously study and grasp the Marxist standpoint, viewpoint, and methods, strengthen unity, go deep into life, and meet the demands of the era by creating still more good works." He went on to speak on the necessity of opposing both ideological ossification and bourgeois liberalization.

**Paper Views Legal Entities, Ownership**  
**HK011301 Beijing GUANGMING RIBAO in Chinese**  
**12 Dec 87 p 3**

[Article by Qin Xianzheng (4440 6343 2973): "It Is Inadvisable To Substitute Ownership by Legal Entities for Ownership by the Whole People"]

[Text] Comrade Han Zhiguo said: "The main shortcoming of state ownership is that the right of assets is undefined," "ownership by legal entities should replace ownership by the whole people," and the "typical form of ownership by legal entities is running a company with limited liabilities." To my mind, these viewpoints are worth discussing.

During the initial stage of socialism, the traditional concept of legal rights cannot be used to observe the exercising of ownership by the whole people over capital goods in China, because this traditional concept took shape on the basis of private ownership. Under public ownership, capital goods may or may not belong to the "self." This is the basic characteristic of capital goods under public ownership. It is the negation of direct private possession of capital goods. Viewed from the traditional concept of legal private ownership, the right of assets seems undefined and even "false." Viewed from the socialist concept of legal rights, the judgment that the right of assets under ownership by the whole people or collective ownership is "undefined" or "false" does not hold water. The state Constitution explicitly stipulates that all powers of the state belong to the people. These rights, of course, include the ownership right of capital goods. In addition, it also provides that socialist public property is sacred and inviolable and forbids all organizations and individuals from infringing upon or ruining state or collective property. As to how the people entrust their rights to the state and how the state exercises these rights under the people's supervision, this will be determined according to the detailed rules and regulations which are in the making. But one point should be made clear, that is, no organization or individual is allowed to have "direct, exclusive rights" over capital goods under ownership by the whole people.

Using the traditional concept of legal rights to view the commodity economy under public ownership, people will really feel that the commodity economy contradicts public ownership. Even the separation of ownership from operational rights will not help fundamentally solve the problem concerning the invigoration of enterprises. The key issue is that whether we can set up a microeconomic base which not only maintains socialist public ownership but also conforms to the needs for the development of the commodity economy. The answer is completely positive. The problem is that we should fundamentally change the traditional concept of rights of assets.

First, under public ownership, the difference of rights, duties, and economic interests among people does not originate from the relationships of assets but from their labor contribution to society. Because there is no difference of ownership rights over capital goods, the rights of assets will not give rise to the difference of economic interests. The difference of economic interests among people is caused by their labor contribution. Hence the necessity to exercise the principle of distribution according to work.

Second, the socialist system has replaced the capitalist system and the labor force is no longer a commodity. Therefore, the ownership rights of the products of labor are based on the labor of laborers. This is where the practical and theoretical bases for the existence and development of the commodity economy under public ownership lie.

During the initial stage of socialism, different laborers and enterprises under the same system of ownership by the whole people still have differences in allocating and utilizing capital goods. This has given rise to the difference of labor productivity among laborers and enterprises as well as to the difference of income. Under the system of ownership by the whole people, different economic interests resulting from the difference of objective conditions for labor should belong to all of the members of society. The state can collect "fees" from them for the use of capital goods. On the one hand, the state will eliminate the difference of economic interests among laborers and enterprises resulting from the different amount of capital goods in their possession, so that the income of laborers and enterprises conforms to their labor contribution. On the other hand, the state will concentrate the "fees collected from the use of capital goods" on meeting the common demand and long-term needs of the members of society. In this way, as owners of capital goods, all of the members of society will be able to put their rights into effect. As to forming a combination between the ownership right of capital goods and the ownership right of the products of labor, this requires further study.

Comrade Han Zhiguo suggested the setting up of "ownership by legal entities" in substitution for ownership by the whole people and that the typical form is running a company with limited liabilities. As a matter of fact, running a company with limited liabilities is not an independent ownership form but is merely a form of assets combination. This form of assets combination can exist and develop during the initial stage of socialism. On the one hand, socialist enterprises can carry out lateral economic combination by running companies with limited liabilities. On the other hand, because of the existence of different economic sectors, small private enterprises can be merged into larger private enterprises. But who will represent the shareholders of the proposed companies with limited liabilities? The state, the collective, or the individual?

Comrade Han Zhiguo did not explain who will represent the shareholders or how the shareholders will come into being. If the state represents the shareholders, the shares of enterprises under ownership by legal entities will be in the hands of the state. In such cases, there will be no difference between this practice and the existing system in state-owned enterprises. If enterprises' employees represent the shareholders, this, as comrades have pointed out, will be the same as "ownership by individual laborers." In other words, it will be the restoration of private ownership. Although private ownership is allowed to exist and develop during the initial stage of socialism, such ownership is, after all, affiliated with public ownership. If all state-owned enterprises are turned into enterprises under private ownership, the principal body of public ownership will disappear. If enterprises are run under collective ownership by the workers, the "shortcoming of the right of assets being undefined" will remain

unsolved. The state, the enterprise, and the individual simultaneously being the shareholders is the form now in vogue. It is called a "joint stock operational form." This form gives expression to the lateral combination between different ownership forms as well as between different regions, departments, and enterprises. It is an organizational form of socialist assets and not a new form of ownership. Its nature is determined by the nature of the shareholders.

#### **Commerce Minister on Price Stabilization**

*OW060945 Beijing XINHUA Domestic Service  
in Chinese 0853 GMT 5 Jan 88*

[By Reporter Chen Yi]

[Text] Beijing, 5 Jan (XINHUA)—Minister of Commerce Liu Yi said here today that the market situation of our country this year will be lively and brisk and the shortage of a small number of commodities will be alleviated.

After saying this at the closing of the national conference for directors of commerce departments and bureaus and at the ongoing national conference for heads of supply and marketing cooperatives, Liu Yi continued: This year, commerce departments and bureaus must accord priority to making arrangements with regard to marketing of key commodities. They must take the initiative in supporting the development of production and in drawing up an overall plan for procurement and marketing, and strive to stabilize the economy, market, and prices.

Liu Yi said: During the past year, demand was exuberant. Sales of food, clothing, daily necessities and other commodities were brisk. It has been estimated that the value of retail sales for 1987 will be 582 billion yuan, an increase of 17.6 percent over the previous year. There was some criticism from the masses because our improvement in services, commercial activities, and work did not meet what was originally called for. This was due to poor projection in market forecasts, inadequate studies being made to improve the procurement and marketing relationship with peasants, and ineffective measures to improve the quality of services. During the new year, commerce departments and bureaus must strive to improve the markets in cities and countryside by deepening the reform of enterprises, by treating the improvement of management and service as their prime objective, and by according priority to planning the marketing of key commodities.

Liu Yi said: At present, there is one situation that needs attention. The prices for a few ordinary daily necessities are unstable and these could develop into

sensitive commodities. While drawing up plans, commerce departments and bureaus must make special provisions to set up some kind of regulating force to ensure that the supply of these commodities is properly arranged.

The stabilization of prices is an important aspect of market stabilization this year. Liu Yi said: State enterprises and supply and marketing cooperatives play an important role in price stabilization. The highest rate of profit for commodities that are no longer restricted must be set and divided into different categories. Their prices must not be allowed to be raised freely according to supply and demand to obtain exorbitant profits. With regard to commodities under the "double track system," their quality and quantity must be guaranteed. At the same time, negotiation for their prices must be properly managed; their markets in the cities must be continually liberalized; and their procurement and marketing must be properly carried out to ensure that demands of all levels are met.

During the two conferences convened by the Ministry of Commerce, Tian Jiyun, vice premier of the State Council, on two occasions listened to their reports and made important speeches.

**Demand for Clothes, Consumer Goods To Grow**  
*OW061102 Beijing XINHUA in English*  
*0747 GMT 6 Jan 88*

[Text] Beijing, January 6 (XINHUA)—The rural demand for clothing and durable consumer goods will continue to increase in 1988, today's "ECONOMIC DAILY" says.

In a survey of 38,283 farmer households, the State Statistical Bureau forecasts this year's demand for clothing will be 1.3 times greater than 1986.

The farmers prefer cheap and durable clothes and so synthetic fibres are expected to account for 58.4 percent of all clothing and cotton, 25 percent.

Along with the reform in the Chinese countryside, farmers' income and the demand for clothes and consumer goods have increased, especially among the young.

Households with per capita income above 500 yuan are eyeing electric fans, television sets, tape-recorders and washing machines while those in higher brackets look to buy refrigerators and cameras.

## East Region

**Anhui's Li Guixian on Reform, Economy**  
*OW041101 Hefei ANHUI RIBAO in Chinese 7 Dec 87  
pp 1, 3*

[Excerpts of Li Guixian's speech at the 8th (Enlarged) Plenary Session of the 4th Anhui Provincial CPC Committee on 6 December 1987, entitled: "Implementing the Guidelines of the 13th CPC National Congress and Pushing Forward Reform and Construction"]

[Excerpts] The current tasks are very arduous and we must concentrate our efforts on doing a good job in the following three areas: 1) It is necessary to further study and thoroughly understand the guidelines of the 13th CPC National Congress; 2) it is necessary to speed up and deepen reform; 3) we must conscientiously do a good job in electing new provincial and city people's congresses, governments, and CPPCC Committees. [ANHUI RIBAO introduction]

### I.

It is necessary to further study and thoroughly understand the guidelines of the 13th CPC National Congress.

The central task of the whole party on the political and ideological front at present and for some time to come is to seriously study and thoroughly understand the guidelines of the 13th CPC National Congress and to unify the thinking and action of all party members, cadres, and the masses. The party committees at various levels must attach great importance to this task, painstakingly organize and guide the study, and effectively grasp this major task. [passage omitted]

Thorough understanding of the theory of the initial stage of socialism and the party's basic line during this historical period is the crucial point to which we must pay particular attention in studying, publicizing, and implementing the guidelines of the 13th CPC National Congress. Through study, the Standing Committee of the provincial party committee is convinced that in order to understand the theory of the initial stage of socialism, it is necessary to grasp the following basic viewpoints:

First, we must deeply understand that the theory of the initial stage of socialism is a vivid embodiment of the combination of the basic theory of Marxism with China's actual conditions. We must correctly and fully understand it, not just try to understand it in a onesided and passive manner. [passage omitted]

Second, we must deeply understand that the fundamental task in the initial stage of socialism is to develop productivity. The conviction that the fundamental task in the initial stage of socialism is to develop productivity

stems from a summing up of both positive and negative experiences in socialist construction during more than 30 years since the founding of New China by our party. [passage omitted]

Third, we must deeply understand that reform is a powerful motive force in promoting all our work in the initial stage of socialism. Following the 3d Plenary Session of the 11th CPC Central Committee, our party summed up the long historical experience and arrived at the basic conclusion that we must "proceed from China's actual conditions, integrate the basic principles of Marxism with those conditions, and find a way to build socialism with Chinese characteristics." In the course of practice, we have found a way to build socialism through reform. The reform in the past 9 years has brought immense and profound changes to our country and this province. [passage omitted]

Fourth, we must deeply understand that strengthening the building of the party is the fundamental guarantee for implementing the party's basic line in the initial stage of socialism. [passage omitted] In the initial stage of socialism, the party's ideological and organizational building and the improvement of the party's work style will all insure the implementation of the party's basic line. At present, we should extensively and thoroughly conduct education throughout the party on the basic line of building socialism with Chinese characteristics in order to enable all party members to further understand the important meaning and main content of the basic line in the initial stage of socialism. [passage omitted]

### II

It is necessary to speed up and deepen reform.

1. We must further strengthen our confidence in reform. The present reform is carried out at a time when the old system is being replaced by the new system. There are deadlocks, contradictions, and frictions. Reform work is faced with many difficult problems and the tasks are very arduous. However, despite such circumstances, we must not show the slightest hesitation or vacillation; we must never stop or go back to the old road. We must firmly persist in carrying out reform, strengthen our confidence, overcome difficulties, dare to eliminate all obstacles and continue to advance. We should realize that our present conditions are quite different from those of the past. The following are some of the favorable conditions:

First, with the deepening of reform, more and more people have understood the laws of economic and social development and, on the other hand, the malpractices and disadvantages of the old system have become more and more obvious. Accordingly, people have generally enhanced their sense of urgency in carrying out reform. This is our most favorable condition in overcoming all difficulties.

Second, after 9 years of reform, great achievements have been made on all fronts. This has provided us with a relatively solid material and ideological foundation.

Third, the party Central Committee has put forward clear goals and policies and measures for reform and has shown us the direction in our work.

Fourth, our leading cadres at various levels have gained more abundant experiences in handling complicated problems and the good experiences of some localities can be used as reference in carrying out our work.

Therefore, we have good conditions and will be able to overcome the current difficulties and problems. We must have full confidence in reform. Of course, we must not consider the reform work as an easy thing. Instead, we must understand the arduous and complicated nature of reform, actively and carefully do well our work, and try our best to reduce and avoid mistakes.

2. We must continue to liberate our thinking. Liberating our thinking and seeking truth from facts is our party's ideological line. At this moment, it is particularly important to stress this line. [passage omitted] Generally speaking, judging from the situation in the whole province, we have not sufficiently liberated our thinking. Old, stagnant, and ossified viewpoints are still shackling the minds of some of our comrades. Therefore, we must continue to liberate our thinking, change our concepts, and eliminate interferences from "left" and right. In particular, we should eliminate interference from ossified viewpoints. These are still some of the major problems we face. [passage omitted]

While grasping the reform of enterprises, we must pay good attention to vigorously developing collective and individual economy in urban and rural areas. In this respect, we should conscientiously learn from the experiences of Jiangsu and Zhejiang. A main factor in the rapid economic development of Jiangsu and Zhejiang Provinces is their rapid development of the collective and individual economy. [passage omitted]

In regard to deepening reform in the rural areas, we must stress intensive management. The report of the 13th CPC National Congress considers intensive management as a fundamental requirement in the strategy of economic development. We can see that the importance of intensive management is self-evident. Judging from the actual situation in our province, intensive management is a must in agricultural development. We must find ways and means to raise our productivity. [passage omitted]

On the question of opening to the outside, we should change our concept that it is only related to foreign trade. We should widely open our doors. On the one hand, we should open to the outside world. We should develop the role of Wuhu, Anqing, and several other cities as windows of foreign trade and utilize all channels to expand

contacts with foreign countries and promote our export, attract foreign investment, and import foreign technology. On the other hand, while paying attention to opening to the outside world, we should also attach importance to opening to other provinces, especially the coastal areas. [passage omitted]

3. Implement reform in a planned, systematic, and down-to-earth manner. We must pay close attention to the following four points in this work:

First, we must carry out thoroughgoing and meticulous ideological and political work so that cadres will fully understand that separating party from government is a major reform in party leadership. The goal of this reform is to strengthen and improve party leadership so that the party will truly handle party affairs; it will by no means weaken the role of party leadership. [passage omitted]

Second, we must make an earnest effort to solve some prominent problems standing in the way of reform. We must firmly implement the central guideline of further stabilizing the economy and prices, keep under control the scale of capital construction and the increase in consumption funds, improve the production and supply of vegetables, nonstaple foods, and manufactured consumer goods, especially those consumer goods in great demand, and strengthen supervision and administration over market prices. [passage omitted]

Third, we must pay more attention to study and investigation and earnestly implement the various reform measures. In reforming either the political or the economic structure, we should all have firm determination and make steady and meticulous efforts to carry it out well. We must carry out the reform of the political structure, especially reforms relating to organization and the personnel system, in a planned and systematic way in accordance with the unified arrangements of the central authorities. [passage omitted]

Fourth, we must strengthen socialist democracy and the socialist legal system. [passage omitted]

### III.

We must conscientiously do a good job in electing new provincial and city people's congresses, governments, and CPPCC Committees.

In carrying out elections, we must implement the guidelines of the 13th CPC National Congress. In reorganizing leading bodies, we should focus on upgrading their quality, improving their structure, further advancing cooperation between old and new cadres and the succession of new cadres to the old, and making the ranks of cadres more revolutionary, younger in average age, better educated, and professionally more competent. [passage omitted]

We must pay close attention to unity in carrying out these elections. We must uphold the principle of treating all comrades on an equal footing regardless of where they come from, and do away with favoritism. We will not be able to achieve great unity if we practice favoritism in violation of party spirit and principles. [passage omitted]

The elections should be carried out, all in all, with stability in mind. There will be no change on a large scale in the leading bodies. However, there will be some changes; some will stay, some will advance, and some will retire. This is normal. Whether one should stay, advance, or retire, we should proceed from party spirit and approach this question from the interests of the party cause. Party organs should carry out thoroughgoing and meticulous ideological work, and their principal leaders should personally take part in this work. We must take good care of retired cadres, and make sure that they are properly provided for. As for those still in good health, we may ask them to continue giving play to their role by doing work within their power.

#### **Jiangxi Leaders Instruct on Rural Enterprises**

*OW050213 Nanchang Jiangxi Provincial Service  
in Mandarin 1100 GMT 1 Jan 88*

[Excerpts] During their inspection tour of Shangrao Prefecture, Wan Shaofen, secretary of the provincial CPC Committee, and Wu Guanzheng, governor, on 29 December held a meeting to discuss accelerating the development of rural enterprises in the province with some responsible comrades of counties, cities, towns, and townships and plant directors and managers of rural enterprises in the prefecture, as well as responsible comrades from concerned administrations for industry and commerce, tax bureaus, and banks. Important instructions from the central leadership concerning rural enterprises were relayed at the meeting. [passage omitted]

To accelerate the development of rural enterprises, Wan Shaofen and Wu Guanzheng pointed out: It is necessary to press ahead with the current rural enterprise reform, especially in the following areas:

1. Separation of government and enterprise. Governments should not interfere in enterprise operations with administrative measures and should give enterprises more decision-making powers concerning operation and management. [passage omitted]

2. Contract system. Various forms of the contract system should be allowed with the injection of competitive mechanisms such as bidding. [passage omitted]

3. Cooperation among rural enterprises. Rural enterprises should tap their own potentials, have flexible operations, and tear down ownership boundaries among regions and enterprises to cooperate extensively. [passage omitted]

Rural enterprises should also seek foreign capital, participate in international economic and technological cooperation and, through cooperation, improve themselves so that their products will take hold in the domestic as well as world markets.

Departments concerned, such as those responsible for industry and commerce, taxes, banks, finance, commodity prices, planning, supplies, and science and technology, should spare no effort in fostering rural enterprises. Various industry and business administrations should make every effort to support and serve and create a favorable environment for the development of rural enterprises. [passage omitted]

At the meeting, Wan Shaofen and Wu Guanzheng discussed with those present problems concerning personnel, technology, and funds that currently impede the development of rural enterprises in the province. They came up with some solutions.

They pointed out: As for the personnel problem, the provincial CPC Committee and government have already taken steps and organized 3,000 scientists, technicians, and management personnel to work in rural enterprises. Various prefectures and cities have also taken corresponding action and organized scientists and technicians to contract out, take over, or set up rural enterprises. They also suggested that several localities in the prefecture be designated pilot areas where university and polytechnic graduates can be sent to work in rural enterprises. Meanwhile, they asked all localities to run management and technical training courses at various levels and in various forms.

As for funds, the main solution today is to improve management of funds and to accumulate funds on one's own. Enterprises should accordingly put aside funds for various purposes. Sixty percent of after-tax profits should be left at the disposal of enterprises. Savings from tax exemptions and reductions should be reinvested in enterprise expansion and production. Fund raising is another feasible solution. By establishing rural cooperation funds, credit funds, and investment companies, and by issuing stocks and bonds, peasants' loose funds can be pooled for constructive use.

Wan Shaofen and Wu Guanzheng urged everyone to grasp opportunities, take the initiative, and be bold and open to develop export goods. [passage omitted]

Wan Shaofen and Wu Guanzheng also stressed that it is necessary to further strengthen leadership over rural enterprises. Party committees and governments at all levels should pay great attention to the development of rural enterprises. They should set clear-cut targets and follow them up with effective measures and concrete actions and at the same time maintain party style and develop spiritual civilization. [passage omitted]

**Liang Buting at Shandong Rural Meeting**  
*SK050116 Jinan Shandong Provincial Service  
in Mandarin 2300 GMT 3 Jan 88*

[Text] On the morning of 3 January, leading comrades of the provincial party committee and the provincial people's government sponsored the first on-the-spot official meeting in Laiwu City in 1988 to study and summarize the experience Laiwu City has gained in enhancing grass-roots level political power in the rural areas.

Laiwu City is one of three cities and counties in the country that have taken up the pilot work of building grass-roots level political power. In coping with the malpractices during the past year, in which the city authorities have conducted excessive control, the town-towmship people's governments have not fully brought their function into play, barriers have been created between different departments and regions, and departments have been disputed over trifles in handling official work, the city has proceeded from simplifying administration work and delegating power to the grass-roots level units and have delegated the managerial right of the 20 branches of city-level management stations of the economy, forestry, and foodstuff to the town and township people's governments. The city's experience gained in the pilot work has attracted the great attention of the provincial party committee and the provincial people's government.

At the on-the-spot official meeting, Liang Buting, secretary of the provincial party committee; Jiang Chunyun, deputy secretary of the provincial party committee and acting governor of the province; and Ma Zhongchen and Ma Lianli, vice governors of the province, delivered speeches in which they enthusiastically acknowledged the achievement the city has scored in its pilot work and contended that the road paved by the city is correct, measures adopted by the city are fine, and the results of its pilot work are marked. They also acknowledged that its achievement is in conformity with the central spirit. The experience gained by Laiwu City is very similar with that gained by Zhucheng County and should be fully acknowledged.

In his speech Comrade Jiang Chunyun stated: Laiwu City and Zhucheng County are both carrying out the pilot work of simplifying administration work and delegating power to the grass-roots level units to enhance the function of township and town people's governments; but Laiwu City has achieved development and progress in this regard, such as having more than 20 city-level organs managed by township and town people's governments. Judging from the current situation, the work done by the city in this regard is favorable to bringing into play the enthusiasm of city-level organs, township and town people's governments, and units and personnel who have settled at the grass-roots level. It is also favorable to accelerating the pace of developing town-run industrial enterprises, establishing service systems, integrating agriculture with industry and commerce, and developing

various undertakings. The work has not only played a role in emancipating productive forces but also promoted the rural campaign of building spiritual civilization.

In his speech Comrade Liang Buting stated: The criterion of testing the drive to conduct reforms is the development of productive forces. The direction of the reforms conducted by Laiwu City, which have resulted in economic development, has been proven correct. As compared with Zhucheng County, the city has further deepened the drive to conduct reforms in various links at the county level.

Comrades participating in the on-the-spot meeting held discussions on the issues concerned. They contended that the measure adopted by Laiwu City represents the reform in the partial link directly related to both economic and political systems and in the integrated part between economic and political systems. The reform is not purely in the political system itself. Therefore, it may be said that the reform is a matter of partial work and is permissible because it did not affect all arrangements made by the central authorities.

Comrades participating in the on-the-spot meeting formulated the following two opinions: 1) The provincial authorities and Taian City will dispatch a number of personnel to help Laiwu City as they did to Zhucheng County in order to summarize successfully its experience gained in this regard; 2) efforts should be made to persuade the major provincial-level administration departments to allow Laiwu City to conduct pilot work among tax affairs offices, credit cooperatives, and power supply stations in rural areas, which are still under the administration of provincial-level departments; and to allow the city to determine whether these offices, cooperatives, and stations can be managed by the township and town people's governments after its reforms.

**Shandong's Liang Buting Meets With Peasants**  
*SK060713 Jinan Shandong Provincial Service  
in Mandarin 2300 GMT 4 Jan 88*

[Excerpts] On the afternoon of 3 January, the large meeting room of the Laiwu City guesthouse was seething with activity. Twenty representatives of peasants from the mountainous areas, hilly land and plains were holding dialogues with leading comrades of the provincial party committee and government on the policy of linking grain purchases by contracts with supply of low-price chemical fertilizers and diesel oil and the payment of purchase deposits. [passage omitted]

(Liu Guijian), a young peasant from (Xiaoxia) village in (Zhaili) town in a plain, raised a question. He said: Since the state purchasing prices for grain are too low, some peasants felt they would suffer losses in planting grain. Therefore, they lost enthusiasm in it.

Liang Buting, secretary of the provincial party committee, explained patiently: Our country is still in the initial stage of socialism. In addition to the commodity economy, we must stress the word planning. It seems that the low state purchasing prices for grain are unreasonable, if we do small accounts. However, if we cultivate whichever crops that earn money and lack grain, cotton and oil and other things that have a vital bearing on the national economy and the people's livelihood, the state has to use foreign exchange to buy those things from foreign countries. In this way, our money will be earned by other countries. How on earth can we have strength to carry out construction? Let us see, since the 3d Plenary Session of the 11th party Central Committee, the average per capita income of peasants in Laiwu has jumped from 78 yuan to 585 yuan. This is not completely a value created through their labor. A large part of it comes from the state's readjustment of the pricing policies and this brings them benefits.

After that, Jiang Chunyun, deputy secretary of the provincial party committee and acting governor, said: The province as a whole has allocated 2.5 billion yuan for grain subsidies alone during the year. About 49.7 percent of the provincial revenue was used as subsidies for peasants and urban residents. To this point, our country has exerted its utmost efforts. [passage omitted]

At the dialogue meeting, the problem which the peasants showed strong and concentrated reaction was the supply of chemical fertilizer. Some peasants asked why they could not buy chemical fertilizer from the state. But chemical fertilizers were sold at high prices by the chemical fertilizer peddlars.

Comrade Liang Buting said seriously: We found that some township heads and party secretaries sold low-price chemical fertilizer at higher prices in the free markets and considered that earnings as financial revenue. This is ill-gotten wealth which should be confiscated and returned to peasants.

Jiang Chunyun said: The discipline inspection departments should investigate this unhealthy trend and the supervisory bureau should check it. This should be grasped as one of the important tasks in rectifying party style. [passage omitted]

After the dialogues, the representatives of peasants reluctantly bade farewell to the provincial leading comrades. (Lu Fating), a peasant from (Yifeng) village in (Yangli) town said to another peasant: The conversations between the provincial leaders and us were all sincere words.

**Shandong Secretary at 'Veteran Comrade' Forum**  
SK060731 Jinan Shandong Provincial Service  
in Mandarin 2300 GMT 5 Jan 88

[Text] The provincial party committee and the provincial government recently held a forum in Taian to introduce the work situation to and solicit opinions from

the 20-odd veteran comrades and specially invited representatives who came to the province from other places to participate in an activity to mark the 50th anniversary of the Culai Shan anti-Japanese armed uprising.

Liang Buting, secretary of the provincial party committee, presided over the forum. Jiang Chunyun, deputy secretary of the provincial party committee and provincial acting governor, briefed the forum participants on the provincial economic development. He said: Before the 3d plenary session of the 11th CPC Central Committee, Shandong's economy developed in a relatively slow manner. After the 3d plenary session of the 11th CPC Central Committee, the people throughout the province conscientiously implemented the party line, principles and policies, and adhered to the policy of reform and opening up, thus expanding the productive forces in a protracted manner. It is estimated that the total 1987 provincial output value in industry and agriculture will reach 116.6 billion yuan, double the 1980's figure by more than 10 billion yuan 3 years ahead of schedule.

Comrade Jiang Chunyun also introduced the plans and tentative ideas of the provincial party committee and the provincial government on how to implement the guidelines of the 13th party congress, to uphold the basic line of the party, to make the province prosperous through science and education, to accelerate the pace of reform and opening up, and to achieve success in economic construction in 1988 and in the foreseeable future. In addition, he expressed the determination to work hard to quadruple the 1980's industrial and agricultural output value by carrying forward the revolutionary tradition of arduous struggle.

After hearing the brief, the veteran comrades participating in the forum were very excited, and their morale was high. They expressed happiness and satisfaction with the great achievements and progress made by Shandong, and offered some valuable suggestions.

Comrade Liang Buting, secretary of the provincial party committee, expressed hope that these veteran comrades will show concern for, give support to, and make new contributions to making the people affluent and the province prosperous, just as they did during the war years.

**Former Shanghai Bishop Regains Political Rights**  
OW051649 Beijing XINHUA in English 1615 GMT  
5 Jan 88

[Text] Shanghai, January 5 (XINHUA)—Gong Pinmei (Ignatius Kung), former Roman Catholic bishop of the Shanghai Diocese, has been released from parole and had his political rights restored.

This was the result of a ruling made by the Shanghai Higher People's Court today.

Gong, 87, was appointed by the Vatican as bishop of the Shanghai Diocese in 1950. He was sentenced to life imprisonment for high treason in 1955.

He was released on parole in 1985 since he had demonstrated repentance.

Since his release, he has said mass at a Shanghai convent and was among local religious leaders to receive a visiting Portuguese bishop.

At today's court session Gong expressed his thanks for the government's leniency and said he would devote the rest of his life to the nation's modernization endeavor.

**Shanghai's Mayor on Promoting Technology**  
*OW052132 Beijing XINHUA in English 1719 GMT  
 5 Jan 88*

[Text] Shanghai, January 5 (XINHUA)—Shanghai Mayor Jiang Zemin has described technology as of key importance to enlivening the economy of China's biggest industrial city.

According to his article "Technological Advance is the Mainstay of Shanghai's New Economic Structure" in today's "LIBERATION DAILY", since 1979, the city has spent 11.4 billion yuan renovating its industry and, since 1983, has imported 1,000 items of technology.

The city now strives to use advanced domestic and foreign technology as far as possible, while continuing to tap the potential of its enterprises, the article said.

The city is now able to concentrate on rationalizing the product structure, improving enterprise management and raising the quality of workers.

In the past, however, the work for industrial progress was limited to replacing outdated equipment, technology and materials, the mayor said.

The city used to depend on state financial allocation for funds needed in its economic construction.

Thanks to the reforms, Jiang said, it has been able to raise such funds of its own accord by borrowing from Chinese and foreign banks and issuing bonds.

Nevertheless, Jiang said, Shanghai still lags behind developed countries in equipment and technology, and its leading position in this regard in China is threatened as other parts of China are importing technology.

The task of upgrading the city's technology is tough on account of the city having both high-tech industries and labor-intensive industries; both updated equipment and technology and outdated ones; both an advanced managerial level and generally poor production conditions.

In order to speed up the city's technological upgrading, the city should make good use of its 400,000 scientific workers and 1,000 research institutes, said the mayor.

Besides, it should continue raising funds to import technology and apply it to the renovation of export-oriented enterprises, he said.

**Shanghai's Jiang Zemin Attends CPC Meeting**  
*OW050549 Shanghai City Service in Mandarin  
 2300 GMT 2 Jan 88*

[Text] The Shanghai Municipal CPC Committee yesterday convened a meeting, which principal cadres at the ward and county level attended. After briefing the participants on the instructions by Zhao Ziyang, general secretary of the CPC Central Committee, and Yao Yilin, member of the Standing Committee of the Political Bureau and vice premier of the State Council, during their inspection tour of Shanghai, the Shanghai party committee called on cadres throughout the municipality to emancipate their minds, make concerted efforts, make the best use of favorable conditions, avoid the effects of unfavorable conditions, overcome difficulties, tap Shanghai's potential, and accelerate Shanghai's economic development.

Jiang Zemin, secretary of the municipal party committee and mayor of Shanghai, presided over the meeting and briefed the participants on the important talks by the central leading comrades. Huang Ju, deputy secretary of the municipal party committee and vice mayor of Shanghai, briefed the participants on the main points of the report submitted by the municipal party committee and government to the central leading comrades: achievements made in the past 3 years in implementing the State Council-approved strategic plan for developing Shanghai's economy; problems encountered in the course of replacing the old structure with the new; and proposed plans for accelerating Shanghai's economy.

Comrade Jiang Zemin addressed the meeting, giving his views on how Shanghai should carry out the central leading comrades' instructions. He first suggested that leaders at all levels should repeatedly study the instructions in order to understand them thoroughly, and that they should be aware of the concern and support of the party Central Committee for Shanghai. With this in mind, they should have greater confidence in Shanghai's economic development.

Comrade Jiang Zemin put forward the following requirements: 1) Invigorate enterprises, allow them to exercise their decision-making powers, introduce competitive mechanisms, and enhance the enthusiasm of enterprises; 2, Shanghai should make conscientious efforts to develop foreign trade and expand its products on the world market, and science and technology should help enterprises develop readily marketable items; 3) urban development should advance in an orderly way on the basis of expanding production.

Jiang Zemin stressed: There are more than 50 universities and colleges and over 1,000 research institutes in Shanghai. This constitutes a powerful scientific and technological force. Besides, Shanghai has gained experience in foreign trade. Shanghai's industrial foundation is sound and strong. There are more than 160 industrial departments in the country, and 140 of them are in Shanghai. We should be aware of Shanghai's advantage and potential. Let us advance boldly to accelerate the development of Shanghai's export-oriented economy to contribute to building socialism with Chinese characteristics.

### Central-South Region

#### Guangdong CPC Committee Plenum Ends HK040603 Guangzhou Guangdong Provincial Service in Mandarin 1030 GMT 25 Dec 87

[Text] The Seventh Plenary Session of the Fifth Guangdong Provincial CPC Committee, which just concluded, put forward guiding principles for the economic development of our province in the near future and made arrangements for current reform and construction in our whole province and for the first stage of work next year.

The plenum held: To implement the strategy for the economic development of our province, the guiding principles for economic development in the near future are to regard the development of export-oriented economy as a main task to bring along the all-round development of the economy as a whole, to persist in putting agriculture in a fundamental position in developing the national economy, to rely on scientific and technological progress and on the improvement of laborers' quality to speed up economic development, and to maintain a rough balance of social demand and total supply.

Regarding the arrangements for current reform and construction in the whole province and for next year's work, the plenum held: The current deepening of reform of our province must, on the whole, be centered on [words indistinct] to speed up reform. Therefore, it is necessary to do well in grasping four aspects of reform next year: 1) Perfect the system of contracted responsibility for operating enterprises; 2) further expand market regulation, establish and gradually perfect the market structure, and create a market environment which suits the development of the commodity economy; 3) carry out reform of the commercialization of urban houses and of real estate; 4) further deepen rural reform.

Reform of the political structure of our province must be carried out in the following several aspects next year:

1. In the aspect of separating the functions of the party from those of the government, reform must first be carried out at the enterprise level. The relations among the party, government, and industrial enterprises must be straightened out. The functions of local party committees at all levels must be defined. No one can take on

all government affairs. It is necessary to enforce the relevant regulations governing the separation of the functions of the party from those of the government.

2. Readjustment and reform of the government organs must be carried out. It is now essential to lay stress on the change of the functions of the government organs, to streamline administration, to delegate power to lower levels, to raise efficiency, and to overcome bureaucratism.

3. It is imperative to establish a system of social consultation and dialogue.

4. It is necessary to strengthen the building of socialist democracy and legal system.

5. Newly established cities must be used as pilot projects for reform of the political structure and their organs must be established [words indistinct].

The plenum also made arrangements for further strengthening the building of socialist spiritual civilization and party building.

#### Guandong People's Congress Adopts Regulations HK041524 Guangzhou Guangdong Provincial Service in Mandarin 1030 GMT 29 Dec 87

[Excerpts] The 30th session of the 6th provincial People's Congress Standing Committee this morning examined and adopted the Regulations Regarding the Management of Land in the Shenzhen Special Economic Zone. [passage omitted]

According to the Regulations Regarding the Management of Land in the Shenzhen Special Economic Zone, the Shenzhen City Government monopolizes the management of the rights to use government-owned land. Any units or individuals who want to use land should apply to the Shenzhen City Government for the rights to use land with compensation within a definite time. [passage omitted]

#### Guangdong Forum on Discipline Inspection HK041528 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 30 Dec 87

[Text] A 5-day forum on discipline inspection work held by the Guangdong Provincial CPC Discipline Inspection Commission ended on 28 December in Guangzhou.

This forum centered on studying ways to promote the building of party style, as well as the building of Discipline Inspection Commissions under the new situation of speeding up and deepening reform. In particular, the forum studied ways to enable discipline inspection work to serve the party's basic line and to ensure implementation of the party's basic line.

The forum noted: As Guangdong is China's experimental region for conducting comprehensive reform, Discipline Inspection Commissions at all levels must conscientiously promote the building of party style in the course of promoting reform and opening up. They must conduct scientific analysis and studies of problems in our party style and put forward scientific and practical measures to solve such problems.

The forum noted: At present, we must use the spirit of the 13th National Party Congress to seek ideological unity among all our cadres engaged in discipline inspection work, further improve the work style of the leadership as well as the methods of work, and gradually standardize and institutionalize all types of work through scientific means. We must strengthen ideological and political work and give full play to the initiative and creativity of the vast numbers of cadres engaged in discipline inspection work.

**Guangxi Leaders Meet With Democratic Parties**  
*HK041418 Nanning Guangxi Regional Service  
 in Mandarin 1030 GMT 29 Dec 87*

[Excerpt] Yesterday the regional party committee and the regional government held a meeting at the auditorium of the regional party committee to solicit opinions and suggestions from democratic parties, the federation of industry and commerce, and nonparty personages in the region on how to specifically implement the spirit of the 13th CPC Congress and how to speed up and deepen reform.

Regional party committee Deputy Secretary Jin Baosheng presided over the meeting. Regional leaders Chen Huiguang, Gan Ku, Qin Yingji, Zhong Jiasuo, (Guo Xiquan), Zhang Chunyuan, Zhao Weichen, and Huang Yuyang attended the meeting.

At the meeting, regional party committee Secretary Chen Huiguang first affirmed the achievements made by democratic parties, the federation of industry and commerce, and non-party personages in carrying out the principle of being honest and loyal-hearted and sharing weal and woe together with the CPC over the past few years. Then he said: Since the 13th CPC Congress, all democratic parties in the region have played an active role in giving play to their strong point of having many talented people, in implementing all policies in coordination with the departments concerned, in conducting propaganda work toward Taiwan and work concerning the compatriots of Hong Kong, Macao, and Taiwan, in using their overseas connections to serve Guangxi's economic invigoration, and in taking an active part in the work of supporting the poor.

He said: In the 9 years since the policy of reform and opening up was initiated, the situation in Guangxi has been good. This is closely linked to the strenuous efforts made by all democratic parties in the region. In order to better sum up the experiences of the past 9 years and to

invigorate Guangxi's economy in the next stage, the regional party committee and the regional government held this meeting to solicit your opinions. I hope that you will freely air your views. [passage omitted]

**Henan Meeting on Cadres Reform**

*HK041516 Zhengzhou Henan Provincial Service  
 in Mandarin 2300 GMT 29 Dec 87*

[Text] From 24 to 25 December, the Organization Department of the CPC Central Committee held a meeting of four provinces and one municipality in the province's Zhoukou City on how to examine and appoint cadres. The participants studied methods and standards for selecting and appointing cadres.

On the basis of studying the reform of cadres work, the Organization Department of the CPC Central Committee assigned in early 1987 41 topics of research concerning methods for selecting, examining, training, and appointing cadres. Beijing Municipality and Zhejiang, Hubei, Heilongjiang, and Henan provinces assumed the task of studying the methods for selecting and appointing cadres. After theoretical study and practical exploration, they have achieved some results.

The main subjects of the meeting were exchanging the achievements and experiences of studying methods for appointing cadres, probing into and discussing some problems raised in the study, and raising suggestions for further study.

Some 10-odd comrades from the Organization Department of the CPC Central Committee and organization departments and scientific research organs of the four provinces and one municipality delivered speeches at the meeting.

The speech delivered by a representative of the province was entitled: "On the Study of and Experimentation With Examination Methods for Selecting Cadres at the County or Section Level."

**Hubei Conference on Public Order at Festivals**

*HK051115 Wuhan Hubei Provincial Service  
 in Mandarin 1000 GMT 4 Jan 88*

[Excerpt] The provincial party committee and provincial people's government last night held an emergency telephone conference, demanding that all areas pay close attention to promoting public order during the New Year's Day-Spring Festival period so as to enable the broad masses of the people to celebrate the festivals peacefully and joyfully.

Last night's telephone conference was presided over by Zhao Fulin, deputy secretary of the provincial party committee. Attending the conference were (Tian Qiyu), Standing Committee member of the provincial party

committee and secretary of the provincial Political and Legal Commission, and Wang Libin, vice governor of the provincial people's government.

In his speech at the conference, Comrade (Tian Qiyu) noted: Over the past year, under the leadership of party committees and governments at all levels, our province has achieved great successes in promoting its political and legal work, and has basically brought about sustained stability of public order, thus creating a fine social environment for the promotion of reform and opening up. However, we must not be unrealistically complacent. We must soberly see that current public order is still very complicated, together with the existence of many unstable factors. It is true that serious criminal activities are still running rampant in some areas. Moreover, winter is a season with relatively more problems in public security. If we do not adopt strong measures in this regard, it is possible for us to be faced with more of the following types of public security problems: Serious criminal activities, theft, gambling, feudal fetishes and superstitions, civil disputes and trouble, and public security disasters [zai hai]. These problems can adversely affect the stability of public order. Therefore, we must maintain sharp vigilance in the face of current public security problems. [passage omitted]

### **Southwest Region**

#### **Sichuan's Yang Rudai at Military Subdistrict** *HK010215 Chengdu Sichuan Provincial Service* *in Mandarin 0100 GMT 1 Jan 88*

[Text] Sichuan Provincial Party Committee Secretary Yang Rudai arrived at Yibin Military Subdistrict on 30 December to view the commanders and fighters. He seriously listened to a report delivered by (Li Xinrong), commander of the subdistrict. When Commander (Li) reported that the subdistrict will launch an emulation drive among the militia in taking part in building the two civilizations next year, Secretary Yang immediately expressed approval and demanded that the emulation drive have specific contents and goals. He also called on the militia to brace their spirits, work hard to create an enterprise, and produce practical results.

#### **Sichuan's Yang Rudai Remarks on Party Journal** *HK060357 Chengdu Sichuan Provincial Service* *in Mandarin 0100 GMT 6 Jan 88*

[Excerpts] Provincial CPC Committee Secretary Yang Rudai spoke yesterday at a meeting to mark the 30th anniversary of the provincial party committee organ journal XUEXI YU JIANSHE [STUDY AND CONSTRUCTION]. He demanded that efforts be made to run the party journal as a comprehensive organ with explicit orientation and healthy contents; it should be easy to read, and full of the spirit of opening up, democracy, liveliness, and seeking truth, and imbued with Sichuan characteristics. [passage omitted]

Yang Rudai fully affirmed the achievements of the provincial party committee's organ journal. He stressed that party journals must step up propaganda and education in the theory on the initial stage of socialism and in the party's basic line and guiding principles. They must step up propaganda in economic construction and economic and political structural reform and in the building of the party itself.

Comrade Yang Rudai expressed the hope that the provincial organs and the party committees and organizations at all levels throughout the province, together with the propaganda, discipline inspection, and other departments will show concern and support for this journal. He hoped that the journal will be run better and better and gain new merit in the invigoration of Sichuan.

Xu Chuan, member of the standing committee of the provincial party committee and director of the propaganda department, spoke on behalf of the work personnel of the journal's publishers in thanking all those party and government leading departments and people of all sectors who have cared for, supported, and helped the journal's work. [passage omitted]

#### **Wu Jinghua Attends Xizang Economic Forum** *HK010356 Lhasa Xizang Regional Service* *in Mandarin 1130 GMT 22 Dec 87*

[Excerpts] A regional forum on economic structural reform was held at the assembly hall of Lhasa Theater on 22 December. Regional party committee Secretary Wu Jinghua and regional government Vice Chairmen Mao Rubai and Qamco attended the meeting.

On behalf of the regional leading group for economic structural reform, Vice Chairman Qamco made a summary at the forum on the region's work in enterprise reform in 1987 and presented his views on intensifying the reform in 1988. Speaking on the region's work in enterprise reform in 1987, [passage omitted] Vice Chairman Qamco said: Generally speaking, enterprise reform in our region has developed in a relatively sound way. This can be seen in the following points: 1) All units and departments conscientiously implemented the spirit of the regional conference in enterprise reform. 2) Leading departments at all levels went down to the grass-roots units to promote enterprise reform by making detailed studies. 3) Enterprises introduced various forms of the contracted responsibility system for operations. 4) A certain number of enterprises instituted the system of overall leadership by the factory director and manager. 5) The distribution system in enterprises has begun to be reformed. 6) New progress was made in diverse economic undertakings. 7) Good results were achieved in enterprise reform and the double increase and double economy drive. Vice Chairman Qamco continued: The development of enterprise reform in our region is, however, uneven. Some departments did not pay adequate attention to enterprise reform and the reform could not be arranged in an overall way. It is therefore imperative

for us to strengthen macrocontrol over it. Meanwhile, the publicity and ideological work for enterprise reform are still weak. All these problems should be resolved in real earnest. In speaking about deepening enterprise reform in the coming year, Vice Chairman Qamco pointed out: The main tasks for enterprise reform in 1988 are to change the managerial mechanisms of enterprises and, with that end in view, to popularize and improve the contracted responsibility system for operation in an all-round way, to increase enterprise vitality, to introduce the system of overall leadership by the factory director and manager in an all-round way, and to institute other supporting reforms in enterprises. In short, reform must be further deepened and stepped up. [passage omitted]

**Xizang Leader Stresses Opposing Leftism**  
*HK020351 Lhasa Xizang Regional Service in Mandarin  
 1130 GMT 1 Jan 88*

[Excerpts] The 17th Meeting of the 4th Xizang Autonomous Regional CPPCC concluded on New Year's Eve after completing its agenda. [passage omitted]

Regional party committee Secretary Wu Jinghua went to the meeting to see the participants and thank the CPPCC organizations at all levels for putting forward ideas and contributing to the region's construction in 1987.

On the two riots in Lhasa, Secretary Wu Jinghua pointed out that these were serious political incidents stirred up by the Dalai clique. He also pointed out that it is necessary to separate politics from religion, adhere to the principle of practicing democracy for the people and exercising dictatorship over enemies, and persist in opposing leftism or rightism, as appropriate. And opposing leftism is the main task in Xizang. We must continue to implement the various central policies on Xizang and do our work in 1988 still better.

**Xizang Planning, Financial Work Conference Ends**  
*HK010710 Lhasa Xizang Regional Service in Mandarin  
 1130 GMT 22 Dec 87*

[Excerpts] According to XIZANG RIBAO, the 7-day regional conference on planning and financial work closed at Lhasa Theater on the morning of 21 December.

Present at the closing ceremony were Wu Jinghua, Raidi, Doje Cering, Mao Rubai, and other regional party and government leaders, as well as Jimzhong Gyaincain Puncog, vice chairman of the regional CPPCC. [passage omitted]

In reviewing this year's economic situation, Mao Rubai, vice chairman of the regional people's government, pointed out: According to the national economic guidelines, in 1988 our region should continue to carry out the principle of steadily developing its economy, open up more widely to the outside world and other parts of the country, further deepen reforms, expand production,

increase revenue, cut expenses, keep prices stable, and try in every possible way to improve the strained financial situation. It is hoped, he said, that everybody will always proceed from the overall interests of the state, adhere to the principle of doing what one is capable of, implement the principle of building up the country through diligence and frugality and being industrious and thrifty in managing a household, and successfully fulfill the 1988 plan for economic and social development and the budget for 1988.

Speaking at the closing ceremony, Doje Cering, chairman of the regional people's government, stressed: Leaders at all levels should make vigorous efforts to expand agriculture, animal husbandry, spend by every possible means allocations for the authorized purpose of developing agriculture and stockraising, while further carrying out the policies and principles specially formulated by the party Central Committee for our region. At the same time, we must popularize science and technology for a faster development of agriculture and stockraising in our region.

Regional party committee Secretary Wu Jinghua also spoke at the meeting. He said: With the reform of the political structure, with the focus on separating the functions of the party from those of the government, party committees at all levels should support governments at all levels in expanding the economy. Leaders at various levels should seriously implement the spirit of the national conference on planning and financial work and of the regional conference and do the region's economic work for 1988 well. Comrade Wu Jinghua also hoped that leaders at all levels would be concerned with the well-being of the people. At the same time, they should conduct more investigation and study and strengthen political and ideological work, intensify education in safeguarding national unity and strengthening nationality solidarity, and bring every positive factor into play to build up a new Xizang, marked by solidarity, prosperity, and civilization.

## North Region

**Beijing Secretary Commends Athletes**  
*SK060707 Beijing City Service in Mandarin  
 1300 GMT 19 Dec 87*

[Excerpts] The Beijing sports delegation to the sixth national games held a meeting at the Tianqiao Theater this morning to review its work and commend the outstanding members. Li Ximing, secretary, and Chen Xitong and Li Qiyan, deputy secretaries of the municipal party committee, and other leading comrades, including Wang Xian, Zhang Mingyi, Zhang Baifa and Feng Mingwei, attended the meeting, and presented prizes to the commended coaches and athletes. [passage omitted]

In his speech, Li Ximing, secretary of the municipal party committee, extended congratulations on the achievements that the Beijing sports delegation had scored. He encouraged the coaches and athletes not to rest content with their achievements, but to improve their training levels, and exert concerted efforts to create new achievements.

**Beijing Meeting Elects Municipal Personnel**  
**SK040653 Beijing BEIJING RIBAO in Chinese**  
**19 Dec 87 p 1**

[Text] The sixth Beijing municipal party committee held its first plenary session on 18 December to elect new members of the Standing Committee, secretary and deputy secretaries of the municipal party committee.

The plenary session was presided over by Comrade Li Ximing. A total of 48 members and 13 alternate members of the municipal party committee attended the session.

By adopting the method of directly holding elections with more candidates than posts and by means of secret ballot, the plenary session elected 11 members of the Standing Committee of the municipal party committee after group discussions. By adopting the method of holding elections with the same number of candidates and posts, it elected 1 secretary and 3 deputy secretaries of the municipal party committee.

The namelist of the members of the Standing Committee of the Sixth Beijing Municipal CPC Committee (according to the order of the number of strokes in the surnames) is as follows: Wang Guang, Li Jinmin, Li Zhijian, Li Qiyan, Li Ximing, Wang Jialiu (female), Zhang Jianmin, Chen Xitong, Meng Zhiyuan, Yuan Liben, Xu Weicheng.

Secretary of the municipal party committee: Li Ximing.

Deputy secretaries of the municipal party committee: Chen Xitong, Xu Weicheng, and Li Qiyan.

The namelist of candidates to be elected as secretary and deputy secretaries of the municipal party committee, and as members of the Standing Committee of the municipal party committee was proposed by the Standing Committee of the fifth municipal party committee and determined by the plenary session of the sixth municipal party committee after discussions.

The plenary session adopted the choice of persons to be the chairman, vice chairmen, and members of the Standing Committee of the new municipal Advisory Commission, which was elected at the first plenary session of the municipal Advisory Commission; and the choice of persons to be the secretary, deputy secretaries, and members of the Standing Committee of the municipal

Discipline Inspection Commission, which was elected at the first plenary session of the new municipal Discipline Inspection Commission. The namelists were as follows:

Members of the Standing Committee of the Beijing Municipal Advisory Commission: (according to the order of the number of strokes in the surnames) Wang Chun, Wang Xian, Wang Zhenzhong, An Lin, Li Zhao (female), Li Chen, Li Zhenhai, Song Ting (female) [1345 3060], Zhang Dazhong, Fan Jin (female), Shan Zhaoxiang [0830 1129 0022], and Xue Quanhua.

Chairman of the Beijing Municipal Advisory Commission: Wang Xian.

Vice chairmen of the Beijing Municipal Advisory Commission: Fan Jin (female) and An Lin.

Members of the Standing Committee of the Beijing Municipal Discipline Inspection Commission: (according to the order of the number of strokes in the surnames) Lu Yudong [0712 3768], Yang Guangzhi [2799 1639 2655], Meng Zhiyuan, Jin Dezen (female) [6855 1795 3791], Duan Yihai [3008 5030 3289], Gao Caisong [7559 2088 2646], and Liang Xianghan [2733 3276 3352].

Secretary of the Beijing Municipal Discipline Inspection Commission: Meng Zhiyuan.

Deputy secretaries of the Beijing Municipal Discipline Inspection Commission: Duan Yihai and Jin Dezen (female).

Members of the municipal Advisory Commission and of the municipal Discipline Inspection Commission attended the plenary session as observers.

**Wang Qun at Nei Monggol Military Conference**  
**SK042234 Hohhot Nei Monggol Regional Service**  
**in Mandarin 1100 GMT 3 Jan 88**

[Text] The 5-day work conference on improving the grassroots units held by the Nei Monggol Military District concluded in Hohhot yesterday. Attending the conference were Wang Qun, Bu He, Qian Fenyong, Batubagen, Cai Ying, Liu Yiyuan, (Li Guibin), Fang Chenghai, and Zhang Fenglin.

At the closing ceremony, on behalf of the autonomous regional party committee, Comrade Wang Qun congratulated the units of the military districts on their achievements. He said: Over the past 2 years, in line with the unified demands of the Beijing Military Region, the Nei Monggol Military District has paid great attention to improving the grassroots units and has scored achievements in this. Thanks to their arduous efforts and down-to-earth work, its comrades have created many

very good examples and accumulated many good experiences. The commanders and fighters of a certain border defense regiment, in particular, have worked voluntarily for the interests of the motherland at the expense of their personal interests, for the happiness of the people at the expense of their own happiness, and for the peace of the frontier at the expense of their youthfulness. Their spirit is worth learning from conscientiously by the comrades of various trades and professions of the autonomous region.

In his speech, Comrade Wang Qun also introduced the guidelines of the on-going fifth enlarged session of the fourth autonomous regional party committee to the comrades of the military district.

### Northwest Region

#### **Qinghai People's Congress Meeting Closes** *HK041324 Xining Qinghai Provincial Service in Mandarin 0430 GMT 27 Dec 87*

[Excerpts] The 30th Meeting of the 6th Provincial People's Congress Standing Committee closed yesterday afternoon after successfully completing all of the scheduled items on the agenda.

The meeting decided to change the date fixed for the First Session of the Seventh Qinghai Provincial People's Congress to 20 January 1988. It also adopted in principle the work report of the provincial People's Congress Standing Committee. [passage omitted] The meeting decided to appoint Guo Shaofeng director of the Qinghai Provincial Supervision Department and (Lin Feng) director of the Qinghai Provincial Foreign Economic Relations and Trade Bureau.

The second plenary session in the afternoon was presided over by Song Lin, chairman of the provincial People's Congress Standing Committee. Among those present were Vice Chairmen Qiang Jianhua, Xabchung Garbo, Xie Gaofeng, Yang Wenjin, Wei Jinde, Yang Maojia and 22 members of the standing committee. Vice Governor Han Fucui attended the meeting as a non-voting delegate.

#### **Shaanxi's Zhang Boxing Interviewed** *HK041238 Beijing RENMIN RIBAO in Chinese 31 Dec 87 p 4*

[Report by Meng Xian (1322 6007 1344): "Stabilize and Streamline the Contingent of Political Work Cadres, Strengthen Ideological and Political work—Shaanxi Provincial Party Committee Secretary Zhang Boxing Answers Reporter's Questions"]

[Text] In an interview with a RENMIN RIBAO reporter on 23 December, Shaanxi Provincial Party Committee Secretary Zhang Boxing pointed out: At present, ideological and political work can only be strengthened and cannot be relaxed or weakened. We must pay attention

to stabilizing and streamlining the contingent of political work cadres and must never disband or disrupt the contingent. Comrade Zhang Boxing's answers to our reporter follow.

Question: Some people hold that if the administrative head responsibility system is instituted, then political work cadres will not be indispensable and ideological and political work will be of no importance. Is this idea correct?

Answer: This idea is not only wrong, but also harmful. Ideological and political work is an important guarantee for implementing the party's basic line in the initial stage of socialism. With continuous development of reform, opening up, and economic invigoration and political structural reform, the task for the party's ideological and political work will become heavier. In the course of developing a planned commodity economy, some people will introduce the principle of commodity exchange into the party's political life. As a result of increasing international contacts, some decadent things from capitalist countries will take advantage of it to make their inroads and affect and corrupt some weak-willed persons in our ranks. The in-depth development of reform will inevitably result in more profound readjustments of the relationship of interest among all parts of society. People are now confronted with the real problem of how to correctly handle the relationship of interest between the state, collectives, and individuals. It can be said that under the new situation, new problems are emerging in an endless stream, various ideologies are interlocking, and people's minds are unprecedentedly active. If we fail to strengthen the building of the contingent of political work cadres and fail to improve ideological and political work, people will treat evil ways as correct ones, which would adversely affect reform and all of our work. Enforcing law and exercising power requires some coercive means and authority, but it cannot replace thoroughgoing and painstaking ideological work. While the role of money should not be underestimated in commodity exchange, we must also realize that the shackles made of money are the heaviest. Only by properly conducting ideological and political work can the vast numbers of cadres and masses, especially party-member cadres, stand the test of "power" and "money."

Question: How should we understand that political work cadres must be streamlined while ideological and political work must be strengthened?

Answer: In separating the functions of the party and government, we absolutely cannot abandon ideological and political work. Reducing the number of political work cadres does not mean disbanding or abolishing the contingent of political work cadres. The purpose of changing the long-standing concept about the party's centralized leadership, separating the functions of the party and government, handing over matters that should not be dealt with by the party and that are irrelevant to party affairs, readjusting the contingent of political work

cadres, removing unqualified ones from the contingent, and properly resettling them is to strengthen the party's leadership and upgrade the quality of political work cadres. The purpose of streamlining the contingent of political work cadres is to make the contingent more efficient. And the purpose of making the contingent more efficient is to strengthen, not to weaken ideological and political work. In the past, our contingent of political work cadres was too large, and many cadres remained in office too long and were divorced from reality. Therefore, it was impossible to effectively carryout ideological and political work. After streamlining the contingent of political work cadres, only a handful of people will assume the post of political work cadres and most political work cadres will be transferred to professional departments or appropriate departments to build networks of ideological and political work. Thus, ideological and political work will truly permeate professional work, and the party's ideological work will become more regular and popular, playing a greater role.

Question: Some political work cadres now think that they are "unpopular" and "inferior to others" and so are now in an anxious state of mind. Some of them even publicly or secretly seek ways to "change their work." How do you view all this?

Answer: The contingent of political work cadres must be stabilized and must not be disrupted. It is inappropriate to make political work cadres become depressed. When I say the contingent of political work cadres must be stabilized, I mean that their minds must be stable. Meanwhile, we must guarantee a certain number of political work cadres. Otherwise, they cannot make a contingent.

Most of the comrades of our political work cadres were selected from party members and cadres. Their pay was low and their burden was heavy for a long time. But they worked hard and conscientiously, were not upset by criticism, and willingly bore the burdens of office. The mistakes in our previous political work were mainly due to our wrong political line and defects in our system. We cannot indiscriminately attribute all the mistakes to political work cadres. Of course, stabilizing the contingent of political work cadres does not mean that we should maintain the status quo or that we do not need to conduct reform.

Question: How can political work cadres play their role and properly carry out ideological and political work under the new situation?

Answer: Ideological and political work must be carried out around reform. Meanwhile, the ways of carrying out ideological and political work must also be reformed. We must change the phenomenon that political work cadres always stay in office and indulge in "documents and meetings." They must "go down" to the grassroots; try to discover the ideological trends of the masses in the course of living, studying, and working together with them; and conduct ideological and political work purposefully. They must change the previous working method of preaching and dressing down in which "they gave lectures and the masses listened, and when they talked, people's thinking was straightened out;" and replace that method by treating people equally, making friends with the masses, and holding lively consultations and dialogues with the masses, so as to make ideological and political work moving, touching, and acceptable.

**Premier Yu Reaffirms Anticommunist Policy**  
*OW050431 Taipei CNA in English 0236 GMT 5 Jan 88*

[Text] Taipei, Jan. 5 (CNA)—Premier Yu Kuo-hua said Monday that "only when we uphold the anti-communist national policy will all people enjoy democracy and freedom and only if we abandon all thoughts of secessionism can the nation enjoy stability and prosperity."

The premier spoke at a Kuomintang Central Committee meeting in memory of Dr Sun Yat-sen. Participants also exchanged New Year's greetings at the meeting.

Yu said that the determination and efforts of both the ruling party and the government in pursuing national development and in improving the well-being of the people have long been recognized by all the people.

The national policy of "no talks with the Chinese Communists and opposing the secessionist ideology of Taiwan independence" will never be changed, Yu reaffirmed, because they are the best guarantee of the nation's final victory and success.

The only possible path for the nation is to make ever greater efforts to accomplish the reunification of China under the Three Principles of the People and to promote the well-being of all compatriots both on Taiwan and on the mainland, he said.

Looking forward to the coming year, Yu pointed out that the Chinese Communists, fearful of the nation's continuing progress, will surely intensify their united front offensives against the nation. "At this key moment, we must further strengthen our national construction to ensure our supremacy over the enemy," he said.

In order to realize ever greater progress and to open a new era for the nation, Yu urged all party members to work diligently to further consolidate the nation's democratic foundation; to expand communications with the people; to strengthen the sense of anti-communism; to accelerate economic development; and to improve social mores.

**Government Urged To Normalize Trade With PRC**  
*HK041036 Hong Kong AFP in English 1017 GMT 4 Jan 88*

[Text] Taipei, Jan 4 (AFP)—Legislators and scholars have urged the government to normalize trade and investment relations with China, saying entrepot trade will be a key factor in sustaining Taiwan's economic growth in 1988 and beyond, the CHINA TIMES reported here Monday.

Legislator Huang Chu-wen and several members of the Legislative Yuan called for amending punitive regulations on "smuggling" goods from the mainland after the government lifted a 38-year-old ban on travel to China in November.

The newspaper quoted economics professor Hou Chia-chu of Soochow University as saying that expansion of entrepot trade would be crucial to Taiwan's economic progress this year.

He added that the island's economy would suffer if South Korea, Hong Kong and Singapore were allowed to take the lead in penetrating the mainland market.

He urged the government to legalize indirect Taiwan-China trade to free local businessmen from legal problems and encourage them to set up more branch offices in Hong Kong to trans-ship locally-made products to China direct.

The Chung-Hwa Institute for Economic Research said recently Taiwan exported some 960 million U.S. dollars worth of goods to China via Hong Kong in the first 10 months of 1987, up 53 per cent from the corresponding period of 1986.

Taiwan imports from the mainland through Hong Kong surged by 107 per cent to 240 million dollars, it said. Other major trans-shipment ports are Singapore and Japan.

Government statistics show that indirect two-way trade between Taiwan and China amounted to more than one billion dollars in 1986.

Meanwhile, several industrial associations here have reported that a growing number of their member companies have been switching their production bases to the mainland following the recent relaxation program.

The Taiwan Footwear Manufacturers' Association said five of its members had set up production lines in China in the past two months. Taiwan's Toy Manufacturers' Association revealed that four members shifted their production to China in order to take advantage of the low-cost labor available there.

**Hong Kong Paper on PRC-Taiwanese Relations**  
*HK010306 Hong Kong HONGKONG STANDARD in English 1 Jan 88 p 5*

[Text] An influx of Taiwan people to the mainland for family reunions during Lunar New Year is anticipated, after nearly 40 years of separation.

Governments on both sides of the Taiwan Strait are making the necessary preparations for the "exodus".

Nearly all travellers will be making round trips. Very few would settle in the hometowns they missed desperately throughout the decades.

The mainland will definitely have a windfall of foreign currencies—in Taiwan money or U.S. dollars. Many people will benefit from things their Taiwan relatives will bring along.

These visitors from across the strait are more than tourists or visitors boosting the mainland's tourism industry.

They, in effect, will act a crucial link to reunification.

It is not the trip that counts. Contacts between Taiwan people and their mainland relatives have been going on illegally, long before the visits were approved.

The significance is the legalisation which will facilitate an unprecedented exodus to the mainland... and the aftermath which will very much be beyond the control and expectation of Taiwan's ruling Kuomintang (KMT) government.

These visits bring back information about life on the mainland. For better or worse, it helps to shape a more realistic picture of the motherland which has long existed only in KMT's distorted propaganda or in imagination.

Although many have returned from mainland trips disappointed due to the backward and underdeveloped society there, a passion to see the "roots of their culture" would flourish.

Political analysts contend that this will help boost nationalism in Taiwan. The past decades of separation from the mainland has incubated strong separatist sentiments.

To the mainland, the growing and surfacing aspiration for Taiwan independence is one of the major stumbling blocks to reunification, in addition to the KMT stand.

The mainland has recently intensified its attack on the separatist movement in Taiwan.

The increase in communications will fuel the passion for nationalism and a link-up with the mainland. It will be a positive factor pushing for a smoother or earlier reunification, political analysts said.

It is evident that Taiwan's recent policy relaxation is only the KMT's painful compromise to recent developments in the island republic.

Contacts—telecommunications, visits and trade, have been de facto for a long time. The new generation of technocrats and bureaucrats do not share the same resentment towards communist mainland.

President Chiang Chink-kuo realises it is imperative to change the longtime authoritarian rule over the island republic.

On responding to public call for reforms and more democracy, the KMT has to open the route to the mainland.

The lifting of the 38-year-old martial law decree in mid July has simultaneously and automatically abolished the ban on mainland publications.

The market for mainland publications is booming. Not only are literary and cultural works allowed, contemporary political critics and theories on communist mainland are also on the street.

To allow indirect contact is to satisfy the people's long pent-up aspirations. It also helps to build up the open-minded image of the KMT government.

The KMT government has tried hard to minimise the impact of its action on society at large, such as limiting the category of people eligible to visit the mainland and stipulating that publications can only be allowed when copyrights are obtained through a third party.

Until now, the KMT government has insisted that all contacts could only be made via a third place, such as Hong Kong, Japan and even as far as the U.S.

This not only makes communications more difficult, it also serves to save the KMT's face.

The KMT well understands that it will not deter the movement.

Making these contacts indirect will justify the "soundness" of its "three nos" anti-mainland policy which, to a large extent, has already been breached.

President Chiang, in his first ever interview, with Taiwan magazine GLOBAL VIEWS last November, reiterated that the lifting of the ban on mainland visits was solely for humanitarian reasons.

Taiwan's mainland policy has been consistent and reunification will take place but only under Dr Sun Yat-sen's Three Principles of the People, the President said.

It is very likely the elderly President will maintain this stand till his very last day.

But, the hard fact is that the mainland is no longer something in the air. It pulses, though with different pace and orientation, just across the strait.

The current situations on both sides pose no immediate threat to the KMT to respond to the mainland's call to reunify.

The mainland will be very busy delving into its economic constructions and political restructuring. Reunification is something of a principle but not an issue which needs immediate actions.

With the heaps of problems to tackle, the mainland can spare little energy on Taiwan except keeping up with its usual propaganda.

Though a military solution to settle the Taiwan question has not been discarded, the threat will unlikely materialise unless separatism becomes the order of the day in the island republic.

Neither the mainland nor the KMT, in particular, President Chiang who is anxious to see Taiwan's political reforms through before he retires, will allow any sort of independence on the island.

Taiwan's opposition Democratic Progressive Party Chairman Yao Chia-wen also maintained that "independence" in Taiwan was not possible now.

Time is always the best judge. This is more so with the issue of China's reunification given the recent developments in the two places.

**Radio Commentary on Release of Jiang Qing**  
*OW050151 Taipei International Service in English*  
*0200 GMT 4 Jan 88*

[Unattributed commentary: "The White-Boned Demon on the Loose Again?"]

[Text] Someone must be pulling the leg of civilized man, but rumors are circulating in Peking that the Communist authorities have decided to grant parole to Chiang Ching, the widow of Mao Tse-tung. Chiang Ching is serving a life-term for her role in the Gang of Four, which took power on the China mainland after the tragic Cultural Revolution in 1966-76. Chiang and the other members of the gang, Chang Chun-chao, Wang Hong, and Yao Wen-yan, were all arrested shortly after Mao's death in 1976. They were charged with one of the longest lists of crimes against man ever compiled. Chiang Ching was sentenced to death with a stay of execution for 2 years following the explosive trial of the gang in 1980 and 1981. Her sentence was later remitted to a life-term. The others received life-terms, and rumors also say they will be considered for parole shortly.

Speculation about Chiang Ching has been rampant since her imprisonment. Some say she suffers from throat cancer and is being paroled as a humanitarian gesture. Other rumors say she has been living quietly and comfortably under house arrest in a special guesthouse under the care of her daughter, Li Na. But most foreign journalists agree on one thing about Chiang Ching: Information about her is scant, perhaps even nonexistent. The official Communist press has made no mention of her since she was jailed.

For the record, the Communist Justice Ministry has denied the rumor that Chiang is set for parole any time soon. Otherwise, mention of her remains a taboo subject in Communist China.

Analysts are saying that it would be practically impossible for the present Communist leadership, many of whom were purged and persecuted by the Gang of Four, to let Chiang go for any reason. Most analysts agree that the release of Chiang would be met with vast public anger in Communist China.

No one has forgotten the crimes Chiang Ching and the Gang of Four committed as they climbed the ladder of death and destruction to reach the pinnacle of power on the mainland during the Cultural Revolution. Chiang was personally charged and convicted of causing the persecution and deaths of several thousand people, making her one of history's most infamous mass murderers, even along the lines of Hitler and Stalin. She is most remembered for the revenge she sought against people whose only crime was to be better than Chiang at something, such as acting. Chiang Ching was a second-rate actress in 1930s Shanghai before she caught Mao Tse-tung's fancy. She became his fourth wife, but was barred by the Chinese Communist Party from entering politics. Later, when she grabbed ultimate power from her senile husband, she traced down all those who had caused her to lose face during her acting career and systematically wiped them out. With Lin Biao, who was killed in a plane crash following a failed coup attempt in 1971, Chiang also had a direct hand in the purging and murdering of many old guard Communists, such as Liu Shao-chi, Chu Teh, and even Chou En-lai, Mao's trusted companion. Chou died of cancer 9 months before Mao, but only after being denied treatment by Chiang and her clique.

To release Chiang Ching, whom author Ross Terrill called the white-boned demon in his 1985 biography of her, would be a crime in and of itself. But rumors persist that the current Communist leadership wants to show it no longer fears the likes of Chiang Ching. But opening Pandora's Box from the shelf of Chiang Ching's life caused tragedy enough, and it is highly unlikely that even the unpredictable Communists will ever set the white-boned demon free again.

**Taiwan Strives To Cut Trade Surplus With U.S.**  
*OW050451 Taipei CNA in English 0241 GMT 5 Jan 88*

[Text] Taipei, Jan. 5 (CNA)—The Republic of China [ROC] will continue to do its best to cut its trade surplus with the United States, Premier Yu Kuo-hua told a U.S. congressional delegation led by Edward R. Madigan (R-II) at the Executive Yuan Monday.

In order to narrow the ROC-U.S. trade gap, the ROC has accelerated the opening of its local markets, cut import tariffs and increased imports from the U.S. He cited recent orders for ten U.S.-made passenger planes worth U.S. \$1.7 billion as an example.

Moreover, Yu added, the ROC Government has also decided to purchase from the U.S. all major equipment to be used in the current 14 major construction projects.

As to U.S. arms sales to the ROC, Yu said that the security of the Taiwan straits will be threatened if the ROC fails to maintain its air superiority following the U.S. decision to help the Chinese Communists improve their military equipment.

**Agricultural Imports From U.S. Exceed Exports**  
*OW050511 Taipei CNA in English 0255 GMT 5 Jan 88*

[Text] Taipei, Jan. 5 (CNA)—The appreciation of the new Taiwan [NT] dollar resulted in a U.S. \$700 million deficit in the Republic of China's agricultural foreign trade in 1987, the Council of Agriculture [COA] said Monday.

According to a COA estimate, farm produce imports in 1987 might well total U.S. \$4.1 billion, up 10.56 percent from the previous year, while exports might reach U.S. \$3.39 billion, a 19.1 percent or U.S. \$540 million increase.

Farm produce imports from the United States grew the fastest, registering U.S. \$611 million or an increase of U.S. \$115 million or 23.2 percent over 1986.

**Taiwan Fishing Boats Sail in Argentine Waters**  
*OW040339 Taipei CNA in English 0324 GMT 4 Jan 88*

[Text] Buenos Aires, Jan. 3 (CNA)—For the first time seven Taiwan fishing boats have been authorized officially by Argentine Government to operate in its territorial waters and to use its port facilities.

Flying national flags of the Republic of China [ROC] and Argentina, five of these seven boats, belonging to the Wei Lien Fishing Company of Taiwan, sailed ashore to Bahia Blanca, a port some 650 kilometers to the south of Buenos Aires last week and the other two will come this week.

Meeting Ou Hung-lien, representative of the ROC Commercial office in Buenos Aires, Dr. Juan Carlos Cabiron, mayor of Bahia Blanca, expressed his welcome to the coming of Taiwan fishing boats and promised to offer all the necessary assistance to them.

The coming of the Taiwan fishing boats to Opate in the Argentine territorial waters and use of its port facilities was a breakthrough for the Republic of China's oceanic fishing business in this part of the world as Argentina has maintained a very strict control of fishing activities and only quite a few boats of some countries have been allowed to operate in its territorial waters.

It is learned that another fishing company of Taiwan, represented by its agent in Argentina, has also obtained permission from the Argentine Government to operate in its territorial waters and to use its port facilities.

**Commentary Notes 'Rapid Progress' in 1987**  
*OW011307 Taipei Domestic Service in Mandarin  
2300 GMT 29 Dec 87*

[Station commentary: "A Year of Rapid Progress"]

[Text] Our country has undergone great political, economic and social changes and witnessed a new and prosperous atmosphere in the past year. In the past year, political reform has been carried out on a magnificent scale, and economic liberalization has proceeded in great strides. All this has brought great vitality to the politics and economy on our base of national recovery. Nineteen eighty-seven can be considered a year of rapid progress and new initiatives for the Republic of China.

In political innovation, the government declared the lifting of the martial law in Taiwan area on 15 July, and the National Security Law During the Period of Communist Rebellion took effect at the same time. This epochal measure was taken by the government to speed up the development of democracy, implement the spirit of the Constitution, and bring about greater democracy in politics, more openness in the society, and greater freedom for the people. This ushered in a brand new stage for the development of democratic constitutionalism in our country.

After the lifting of the martial law, the government has adopted new administrative policies to meet the new era. For example, the Draft Organic Law on People's Organizations During Extraordinary Period is being deliberated in the Legislative Yuan. Once the legislative procedure is completed, the restriction on the establishment of new political parties will be formally lifted. Furthermore, restrictions have been lifted for high school graduates intending to study further abroad, and for the people on the base of national recovery to visit relatives on the mainland. The restrictions on the registration and number of pages of newspapers will also be lifted as of 1 January. These measures have demonstrated the government's determination to make reform and advance toward a more open society.

In economic liberalization, the government has taken the following measures in the past year: Actively opening up the domestic market, considerably lowering tariffs, lifting import restrictions and foreign exchange control, encouraging investment in foreign countries, and lifting the ban on the import and free trading of gold. The scale and speed of these liberalization measures were unprecedented, giving the people a feeling that there are too many things for the eyes to take in. The main purpose of economic liberalization is to promote a balanced international trade, and reduce trade frictions with other countries. Statistics show that the growth of imports is

higher than exports this year, which means the government's measures of economic openness have produced positive results. This year our country's foreign trade volume is expected to exceed \$80 billion, economic growth will reach 11.08 percent, and the average per capita GNP is close to \$5,000. Our economic performance has been praised by all countries in the world.

In the social aspect, under the impetus of the government's reform measures, a flourishing scene has emerged. However, because political and economic development has reached a new height, new situations have also emerged in the society, for instance, the frequent reports of [words indistinct] have affected social peace and order, as well as [words indistinct]. These may be temporary phenomena in the course of social transition. However, we think that the code of conduct for these activities should be established as soon as possible in order to guarantee the normal lives of the general public in a free and open society.

Premier Yu recently instructed our countrymen that the lifting of the martial law and the adoption of open measures do not mean we have achieved [words indistinct]. He hoped that all the people would realize the Chinese Communist conspiracy to annex the base of national recovery at all times. Therefore, he stressed that, to unfold the development of democratic constitutionalism, we should have the understanding about national mobilization and suppression of communist rebellion, and to promote freedom and openness we should have the understanding of respecting law and order.

We hope that all Army men and civilians on the base of national recovery will, in ushering in the New Year, uphold these two principles and create more eye-catching economic and political miracles.

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